

**THE DEVELOPMENT OF AN INTERNAL COMMUNICATION SYSTEM IN
THE BREEDER/BROILER CHICKEN INDUSTRY IN THE FREE STATE**

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**MAGISTER TECHNOLOGIAE:
HUMAN RESOURCES MANAGEMENT**

in the

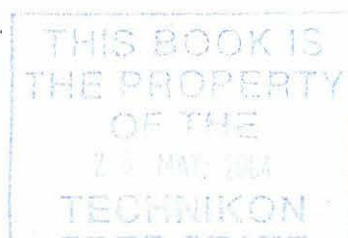
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“In honour to God, for knowledge, capacity, and, the privilege to accomplish this task.”

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DECLARATION OF INDEPENDENT WORK

DECLARATION WITH REGARD TO INDEPENDENT WORK

I, PETRUS STEPHANUS FERREIRA, identity number [REDACTED] and student number [REDACTED], do hereby declare that this research project submitted to the Technikon Free State for the degree MAGISTER TECHNOLOGIAE: HUMAN RESOURCES MANAGEMENT, is my own work; and complies with the Code of Academic Integrity, as well as other relevant policies, procedures, rules and regulations of the Technikon Free State; and has not been submitted before to any institution by myself or any other person in fulfilment (or partial fulfilment) of the requirements for the attainment of any qualification.



SIGNATURE OF STUDENT

23/10/03.

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SUMMARY

With the introduction of the new dispensation as early as 1994, the South African Labour market has changed irrevocably. Companies were confronted with empowerment which exploded into an international consciousness, suddenly finding it self somewhat alienated in a very competitive market. Globalisation is the concept that currently dominates the competitive horizon which represents major new challenges to the workplace. Globalisation is giving effect to the creation of new markets, new products, new mindsets, new competencies and new ways of strategising and managing business in general.

The strive towards global competitiveness demands a move away from cultural ignorance by addressing the lack of understanding through greater participation and people involvement in the workplace.

Country Bird, a significant player in the food production industry was therefore selected as an object for the purpose of this study. The role of management and workers was examined to determine the level of impact on internal communication in a diverse culture.

Attention was also focused on the development of an internal communication structure system and its resultant impact on the alliance between management and employees in building cross-cultural trust and to develop a fit in terms of strategic application of communication in problem solving processes.

OPSOMMING

So vroeg as 1994, met die toetrede tot die nuwe dispensasie, het die Suid-Afrikaanse arbeidsmark onherroeplik verander. Maatskappye is gekonfronteer met bemagtiging, wat gelei het tot 'n internasionale bewustheid, en 'n skielike, ietwat vervreemdheid in 'n uiters mededingende mark. Globalisering is die konsep wat tans die mededingingshorison domineer en groot, nuwe uitdagings in die werkplek tot gevolg het. Globalisering het die totstandkoming van nuwe markte, nuwe produkte, nuwe sienswyses, nuwe vaardighede en nuwe wyses van strategisering en die bestuur van besigheid in die algemeen tot gevolg.

Die strewe na globale mededinging vereis 'n wegbeweeg van kulturele onkundigheid deur die gebrek aan begrip aan te spreek deur middel van groter deelname en mensebetrokkenheid in die werkplek.

Country Bird, 'n betekenisvolle rolspeler in die voedselproduksie-industrie, is gevolglik geselekteer as 'n objek vir hierdie studie. Die rol van bestuur en die werkers is ondersoek om die impak daarvan op interne kommunikasie binne 'n diverse kultuur te bepaal.

Daar is verder aandag geskenk aan die ontwikkeling van 'n interne kommunikasiestruktuur-stelsel en die impak daarvan op die verwantskap tussen bestuurders en werknemers in die totstandbringings van kruiskulturele vertroue, asook die ontwikkeling van 'n nommerpas-stelsel in terme van die strategiese toepassing van kommunikasie in probleemoplossingsprosesse.

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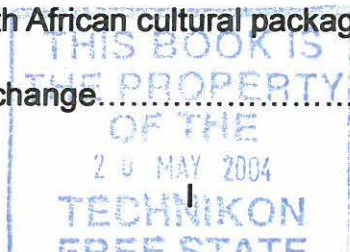
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CHAPTER 1

INTRODUCTION, PROBLEM STATEMENT AND

RESEARCH OBJECTIVE

The focus of this chapter is on the problem statement and research objective of the research study.

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Chapter 1

1.1 Introduction

Globalisation is the concept that currently dominates the competitive horizon and brought new challenges to the world of work and the way in which organisations function, and it also puts a challenge to South African organisations. Globalisation is also responsible for creating new markets, new products, new mindsets, new competencies and new ways of thinking about business in general.

Parker (1998) maintained that these values of high performance organisations can only be obtained if organisations are prepared to make a paradigm shift, (i) from management to leadership, (ii) from traditional customer focus to customer partnership, (iii) from individual focus to collective focus, and (iv) from traditional remuneration practices to a world class remuneration based on performance (Meyer and Botha, 2000:5).

The question is whether South African organisations, particularly South African management, are reacting proactively to this change. Several major South African organisations are already undergoing major transformation processes and thereby seriously attempt to empower their employees. According to Bendix (1996:574) South African organisations 'dabble' in total equality programmes, quality circles, teambuilding, profit sharing and incentive schemes, green areas, the reorganisation of work

and improved communication structures. However, unless supported by a complete cultural change, such transformation is doomed to failure.

South African organisations will only survive the future global environment if they become high performance organisations. According to Blanchard (Meyer and Botha, 2000:5) an organisation has to create and develop capacity to achieve a three-dimensional target; to be the provider of choice, to be the employer of choice, and to be the investment of choice. It is also important to create an environment of motivation and wellbeing for employees.

1.2 Problem Statement

Country Bird was one of the first companies to be established in the Botshabelo Industrial Complex as a result of the former National Party's segregation policy. Although embracing the label as the fourth largest producer of frozen chicken in the country, Country Bird was handicapped by certain internal and external constraints that prohibited the company from achieving the expected growth potential and profit margins (Country Bird F97 Budget Review).

Constraints such as workforce diversity, management style, high production costs, ignoring bio-security measures, illiterate workforce, inefficient training and development, broader national agenda of trade

unions and the lack of an effective internal communication system placed tremendous pressure on the achievement of acceptable profit margins, continuously weakening an already unstable employer/employee relationship.

It has already been determined through information received during a senior management strategic planning session, an independent attitude survey done by ABM Management Consultants in November 1999, and two Stakeholders' Summits in early 2000, that ineffective communication is the major drawback within Country Bird. According to the audit report of ABM (Nov 1999) effective internal communication between employer and employee did not take place on a regular basis because the perception exists that senior management takes decisions without informing key team-members or the individuals responsible for executing these decisions. Bendix (1996:324), supporting ABM, stated that: "To say that an organisation cannot function without communication has become platitudinal. The truth of the statement is obvious. No relationship can be conducted without communication of one kind or other".

The lack of communication could be a big problem to organisations trying to adapt in today's ever-evolving market-place (Grensing-Pophal, 2000:66). Employee complaints about what is wrong with internal communications plague many organisations because management may send messages down to employees, but employees do not send messages back up the ladder. Orsini (2000:28), on the other hand,

stressed that internal communications are usually a significant challenge for organisations, especially during periods of uncertainty and change.

Effective communication and the establishment of an effective communication system is the survival of any organisation. It is a known fact that the effectiveness of the communication methods used in organisations determines the working relationship between the employer and employees (Gerber, 1998:357).

In the current Country Bird situation, diversity is the major role player in the ineffectiveness of communication systems. Arrogance, insularity and a lack of leadership could create an environment where managers ignore critical information and cling to strategies and practices that are no longer effective. Meyer (2000:148) stated that the resultant of misunderstanding is often translated into a lack of trust and usually a result (or symptom) of poor organisational commitment.

Indeed, the most important component of any strategy to improve organisational performance is to implement a well-developed internal communication system, because management are responsible for the effects of their actions. Rabey (1994:86) stressed the importance of communication: "When you want to get a person to do something or to change behaviour you must recognise this and gear your communication to trigger the reaction you seek". Senge (1994: 34) categorically stated: "You must be visibly willing to take a stand for guiding ideas you consider

important, while remaining open to involvement and points of view from others - which is why the communication skills of shared vision are so crucial”.

If we are saddled with prejudice or think of people different from us in unfavourable stereotypes, this will definitely twist and distort the understanding of the communicated message. Our attitudes and feeling, according to Levinson (1999:39), may be so strong that it drowns our understanding of what the other person tries to convey.

In most organisations communication is frequently overlooked as an integral part of the transformation process, resulting in misconceptions and suspicion. The need for upward and downward communication is often ignored or assumed nothing more than feedback.

It is important to create a learning programme where employees could learn how to communicate. Communication failures do occur due to misunderstanding thoughts and feelings of others. If the receiver of a message misunderstands the meaning or intentions of the speaker, it normally results in friction and frustration. Employer and employee relationship often deteriorates and becomes one of apathy and antagonism.

1.3 OBJECTIVES OF THE SURVEY

The primary objective of this research project is to determine the internal constraints within the company leading to the lack of effective internal communication.

The secondary objectives of this research project will be the developing of an effective internal communication system, the implementation of an effective internal communication system, and the maintenance of an effective internal communication system.

1.4 DELIMITATION

For the purpose of this study the following entities will be included in the research:

4.1 Country Bird: Head Office (Bloemfontein). Consist of a senior management team that believes in change management, participative action and empowerment.

4.2 Country Bird: Botshabelo (Free State). It is the original boarding point of the company in the late 1980's consisting of a number of operations; a hatchery, a broiler farm and an abattoir. The workforce is

very much diverse, consisting of a combination of conservative / moderate white employees and black militant unionised employees.

4.3 Country Bird: Tigane (Northwest). It is a newly commissioned abattoir consisting of a moderate workforce.

4.4 Supreme Branch: Kimberley (Northern Cape). It is one of four marketing / distribution branches derived from a deal between Country Bird and Kolossus, and was never really exposed to the current “in-house” politics due to size and the participative management style of the branch manager.

4.5 Kelly's View: (Bloemfontein). It is a newly established breeding farm.

1.5 SUMMARY

According to Meyer (1999:38) the appropriate training interventions can be developed based on the feedback received from fellow employees. Through positive communication, misconceptions could be sorted out, resulting in a culture of total acceptance, irrespective of colour, gender, race or cultural diversity, as Levinson (1999:88) stated: “...to find the right road, follow multiple paths and not being afraid to change direction.”

It is our duty as employers to create a paradigm of understanding yourself, to secure understanding between employer and employee, to know how to communicate effectively, and to allow two-way communication. According to Garratt (1995:75) successful individuals and organisations have clear, regularly renewed goals that are part of their automatic thinking pattern, resulting in effective communication and trust. There are many indicators that the effect of various forms of “communications” can serve to modify attitudes of people within an organisation.

In order to create a paradigm of open communication it is important to create an environment of learning and understanding. Effective communication has to be viewed as part of a holistic approach to implement change in an organisation that will lead to mutual participation in decision-making.

Once this project is completed it will make a positive contribution to the importance of effective communication in the poultry industry in the Free State and other interested industries.

CHAPTER 2

THE IMPACT, VALUE AND MANAGEMENT OF DIVERSITY

IN THE ORGANISATION

The focus of this chapter is on the impact, value and management of diversity and cultural diversity in the organisation.

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CHAPTER 2

2.1 Introduction

At the beginning of the 1990's the concept of empowerment exploded into the international consciousness, and suddenly South Africa found itself in a brutal global competitive market. Unfortunately, South Africa, a country of total diversity due to the multi-cultural composition of its population, are still struggling, not only with understanding this concept, but also with accepting it as being important and necessary (Gluckman, 1996).

The transition to full democracy in 1994 brought along diversity, new perspectives and values into the workplace. Diversity normally meets in the working place, and worksites are fast reflecting the fact that working environments are becoming a multicultural, multiracial and multilingual society that needs to face the inevitable challenge of cultural diversity (Sue, 1991: 99). The need for managing cultural diversity is thus of critical importance to ensure total acceptance within each individual, inside and outside the working place. Human (2001:4) argues: "Managing diversity is not only concerned with how we talk to people but how we think about them as well".

The strive to global competitiveness made it essential to move away from cultural ignorance by addressing the lack of understanding through greater participation and people involvement in the workplace. Thomas (1996)

supports the value of diversity in the sense that diversity is good for business.

2.2 Cultural Diversity

2.2.1 Background

With globalisation sweeping the world, organisations work across normal boundaries facing significant new challenges as they seek to reach and maintain leadership. Leaders have to motivate people from very different cultural backgrounds, experiences and leadership styles to collaborate effectively across different borders.

This activity encourages a new paradigm of diversity management that is needed to harmonise communication, lead organisational culture development, establish a broader leadership perspective and build trust-initiatives (Allert 1999:1). This paradigm shift in terms of attitude towards diversity, the acceptance of cultural diversity and positive change in attitude simultaneously increases the capacity of working teams to communicate through their differences while maintaining their unique characteristics and qualities. Without stakeholders' consent it will become increasingly difficult to embrace cultural opportunities presented by unfolding diversity. As Cope and Kalantzis (1997:126) pointed out: "...the intertwined realities of local diversity and global connectedness insistently present culture as differences. Making the differences work now needs to

be a central fact of all organisational cultures. The metaphor of culture as cohesion-through-diversity is the basis for more productive and mutually transforming shared experiences as an insentric part of diversity management."

Dynamics awareness of diverse organisational culture is vital to ascertaining the role communication in relationship management can play in maximising the potential such diversity can bring to an organisation. This requires cultural cohesion in the sense of pluralism, the principle combining flexibility, multiplicity, devolution and negotiation. The fact is that cultural differences will always prevail and that conflict resolution is not always such an idea in this context (Allert, 1999:8).

The impact of cultural diversity is enormous. It is both politically, business and community intertwined. It is the way that people live and accept life through traditions, certain rituals, religion and language. The manner in which people have been brought up also effects on relationships, irrespective whether it is in or outside the workplace. Despite the degree of dilution through the exposure to the workplace cultural differences still exist very strongly.

Senge (1995:26) fully supports the above mentioned in that "...the stories we construct to make sense of our experience, to give meaning to our actions and thoughts, are stories that we have to learn to construct". It is true that the influence of heroes and heroines normally reinforce the basic

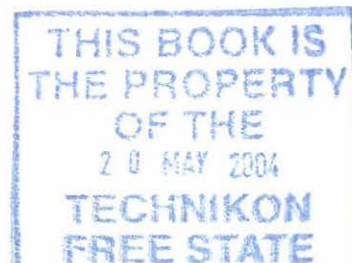
values of a group or organisation by providing role models, setting a standard of performance, and making success attainable and human.

✓ The impact of culture diversity is totally underestimated in the shaping of a person's personality. The presence of cultural diversity in the workplace normally indicates a diverse workforce, and it is more likely that individuals will have an array of attitudes. Their beliefs form a large part of their socio-economic background and other experiences, and can therefore vary significantly. It happens gradually, and usually there is no alternative but to accept the culture. To ensure this, the society institutionalises various patterns of behaviour that is underestimated.

Gerber, Nel and Van Dyk (1998:56) indicated that the stable functioning of a society requires that there be shaped patterns of behaviour among its members, and that there exists some basis of knowing how to behave in certain situations. In many circumstances people accept their actions as part of their culture - "as the way we do things around here" (Stewart, 1994:28).

2.2.2 Definitions

It is important to note the difference between affirmative action, valuing diversity and managing diversity before looking at the different definitions defining diversity.



Diversity management is frequently confused with affirmative action and valuing diversity. Affirmative action, valuing diversity and managing diversity are separate points on the continuum of different interventions designed to stimulate the inclusion of people from different backgrounds in an organisation.

Affirmative Action: Affirmative action is grounded in moral and social responsibilities to amend wrongs done in the past to those members of the defined designated groups. According to Butterworths (1998:5), “the purpose of the Employment Equity Act, No. 55 of 1998, is to achieve equity in the workplace by -

- (a) promoting equal opportunity, and fair treatment in employment through the elimination of unfair discrimination, and
- (b) implementing affirmative action measures to redress the disadvantages in employment practices experienced by designated groups, in order to ensure their equitable representation in all occupational categories and levels in the work force.”

Valuing Diversity: The main objectives of the valuing of diversity include becoming aware of, and educating people to positively recognise the differences among people in the workforce. It stretches far beyond affirmative action in that it is not solely based on representation of various types of people in the workforce. It is the quality of the work experience,

rather than simply the participation rate of minority (designated) employees at a particular employer, that is paramount.

- ✓ Diversity Management: Managing diversity focuses on the business case for diversity. Diversity is seen here as a strategic approach to business that contributes to organisational goals such as profits and productivity. It moves beyond valuing diversity in that it is a way in which to do business, and should be aligned with other organisational strategic plans.

Considering the above-mentioned explanations at the outset of any diversity initiative, an organisation needs to decide how it will define diversity, as there is no single right answer to the question. According to Meyer (1999:275) diversity management is a comprehensive and holistic process for creating and sustaining an environment in which all employees feel comfortable, recognised, valued and appreciated, based on differences such as race, gender, culture, religion, disability and sexual orientation. Diversity management plays a crucial role in complementing equal opportunity, affirmative action and employment equity by preparing an environment conducive to a more diverse workforce.

Human defines diversity as: "Part of the process of managing diversity is managing personal growth and the understanding of personal security" (Meyer 2000:355).

- ✓ Diversity has more to do with combining different human capital behaviour and business principles than race, gender, age, and

qualifications, to ensure total business improvement and ongoing maintenance of their competitive advantage.

2.3 Diversity and the South African History

The policies of apartheid in South Africa produced both separation and fundamental inequality, as the diversity of the South African society in terms of race, ethnicity, language and culture served as the basis for all-encompassing policy of segregation, discrimination, oppression and economical exploitation (Mandew, 2000:18).

✓ Since 1948, white Afrikaans-speaking males have long controlled the South African economy, while blacks and other minorities were deliberately kept out of management and organisational decision-making structures (Ghosh, 2001:136). It is not surprising that the South African society views the notion of diversity with suspicion, as this transformation within the South African economy has not occurred without hostility and friction. Kitshoff (1994:313) is in agreement, stating: "What divides South Africa is race, religion, ethnic identities, differing views of history, economic disparity, and, generally speaking, the legacy of apartheid".

The various components of the South African society are in many cases determined by group ties which are often conducive to tension, conflict or even violence. It is common belief that the actions, experiences and

decisions often reflect differences in ethnic backgrounds or cultural differences.

✓ South Africa is a divided society and has much to do with the misrepresentation, misunderstanding and mismanagement of the diversity and plurality in the South African society (Kitshoff, 1994:313). The way in which history has been told and been revealed / perceived is not necessarily the truth, as a lot of facts have deliberately been left out. Different cultures understand how things are done and could work within an ethnic group's unwritten norms, but cannot explain their culture to somebody else. It is persuasive, but hidden. The impact of explaining people's history during the grown-up phase determines certain values and perceptions of how people see and experience certain events that influence their outlook in life.

According to Kitshoff (1994:313) conflict existed between the early colonists and indigenous people, between indigenous people themselves, between Afrikaners and black people, between Englishmen and black people, between Englishmen and Afrikaners, between Afrikaners and Afrikaners, and presently between blacks themselves, and has for centuries given ample evidence of an absence of togetherness. This shows that there was no real unity between the different ethnic groups in South Africa.

Apartheid was not formally introduced until 1946, and the aim of the National Party was separate development. A key function of segregation under the policies of the National Party's apartheid regime was to ensure inferior and limited education opportunities to black and coloured communities. The National Party gained more power and control through systematically enforcing more and more legislation, resulting in the extreme repression of the majority black South African and minority Coloured population. According to Schlemmer (1990:260) apartheid's dismal legacy cannot simply be engineered or swept away.

It is important to look at some of the bills passed between 1948 and 1964 by the Nationalist Government, with the aim of institutionalising and contributing to apartheid in the South African political system that had a major impact on the enhancement of cultural diversity. The following acts were promulgated (Rainbow Revolution Exploration, 2000: 1):

- 1949: Prohibition of Mixed Marriages Act, Act 55 of 1950 outlaws marriages between members of different classified races.
- 1950: Immorality Act, Act 21 of 1950 prohibits sexual relations between whites and non-whites.
- 1950: Population Registration Act (Act 30 of 1950); Group Areas Act (Act 41 of 1950); Suppression of Communism Act (Act 50 of 1951) and Bantu Authorities Act (Act 68 of 1951).

- 1951: Prevention of Illegal Squatting Act (Act 52 of 1951) gave the “Minister of Native Affairs, Hendrik Verwoerd, powers to send “illegal” African tenants to resettlement camps.
- 1952: Abolition of Passes and Coordinator of Document Act (Act 67 of 1952) forces all Africans to carry a single passbook; ANC launches “Defiance campaign”.
- 1953: Separate Amenities Act (Act 49 of 1953) punishable offence for blacks to mix with whites on public property; Bantu Education Act (Act 47 of 1953); Criminal Law Amendment Act (Act 8 of 1953).
- 1953: Promotion of Bantu Self-Governing Act sets up ethnic “homelands”.
- 1954: Resettlement of Natives Act (Act 19 of 1954) allowed the government to move long established communities.
- 1955: Native (Urban Areas) Amendment Act (Act 16 of 1955): extends control of the government on who can live in cities and where they can live.
- 1963: General Laws Amendments Act (Act 37 of 1963) permits detention without trial.
- 1964: Black Labour Act (Act 67 of 1964) tightens influx control.

✓ Many people are unaware of just how cultural diversity has been shaped and influenced by the mentioned legislation. Robbins (1991:61) comments that culture is to people as water is to fish - it is there all the time but the fish are oblivious to it.

On the 2nd of February 1990, F W de Klerk, then the State President of the Republic of South Africa, stated that the aim of the government was a totally new and just dispensation in which every South African citizen would enjoy equal rights, treatment and opportunity in every sphere of endeavour – constitutional, social, and economic (Kitshoff, 1994:313). President de Klerk saw diversity in a positive light due to the fact that diverse people, cultural groups and communities were the building blocks of a nation within the concept of a single nation in an undivided South Africa (Clarion Call I, 1991). There is virtually no other country in the world where the various components of the population are so demographically and economically intertwined. President de Klerk himself categorically stated that: “When all people in South Africa pledge themselves to working for peace, prosperity and progress, the rich diversity of the plural society could be forged into one nation, with one loyalty to one fatherland” (De Klerk, 1991:7).

The ANC Government came to power in 1994 and resulted in the downfall of apartheid. It had a major and dramatic impact on the average South African citizen's perceptions and expectations. The inauguration of President Nelson Mandela in 1994 opened the door for the empowerment of ethnic majorities and has been included in the mainstream of management structures. Life changed from a secured family life to absolute fear, and from oppressed to expected happiness, because people interpret what they see and call it reality (Robbins

1991:125). Maletzke, according to Dahl (1998), agrees with Robbins that every perception is seen as an active process: "...what is perceived is becoming part of the subjective experience, embedded into the whole of the personality structure of that person, including whatever the person's development process, his cultural and material environment has given him or her ways of thinking and viewing things."

In this respect, Kitshoff (1994:313) stated the following: "However, in the same manner "that the black threat" often drove the whites together, the "apartheid monster" was instrumental in causing the black population to join forces against a common enemy. But new unifying forces will be needed when apartheid has been buried."

Interesting to note is that both white and black people became fearful during the immediate post 1994's, because: "Whites fear black revenge or retribution; whites fear affirmative action more than a black government; whites' fear of black anarchy and poor standards; whites fear punitive taxation or redistribution of wealth; and whites fear nationalisation of assets. Blacks' fear of being a sell-out; blacks' fear of being sold-out; blacks' fear of co-option; blacks' fear of white manipulation; and, blacks' fear of victimisation" (Mbigi ,1994:57).

Robbins (1991:125) defines perception as a process by which individuals organise and interpret their sensory impressions in order to give meaning to their environment. It is an active process that results in different

people having somewhat different, sometimes even contradictory, views or understandings of the same event or person. Dahl (1998) agrees that the perception of feeling is altered in different cultural surroundings.

- ✓ Many South African managers placed black expectations at the lower end of their strategic objective schedules, which resulted in a very high level of militancy in the workforce. Mbigi (1994) indicates that if whites become cynical spectators of the new South Africa and sabotage its birth, they will become marginalised victims in the long run. Leading leaders in business has to be pro-active and build capacity of their own organisations, not only to manage change but also to shape the world around them. Beyers Naude (Naude, 1991:97) correctly stated: "Whites need to hear this challenge, too, in order to be liberated from many suppressed forms of unresolved guilt under which they are living. If they are not willing to bring this into the open, their national mentality will continue to suffer. The Blacks equally need to hear this in order to overcome their aggressive feelings and deep distrust".

The beliefs of the traditionally disadvantaged groups, consisting of Black, Coloured and Indian citizens are largely formed by their socio-economic background and other experiences. The more diverse the work force, the more likely it is that individuals will have an array of attitudes, perceptions and expectations. Nevertheless, important to note is that all the unrealistic expectations and fears did not materialise as expected, because what each individual perceived and expected from all the

political changes can be substantially different from objective reality. Robbins (1991:125) stated that perception is important because people's behaviour is based on their perception of what reality is, and not on reality itself.

It is obvious that certain expectations did not materialise as expected in 1994 due to perceptual distortions. Distortion will still and always have an effect on individual and group perceptions. People's minds and hearts constantly manufacture new barriers, which have to be crossed in a spirit of peace, reconciliation and trust.

2.4 Cultural Diversity

With globalisation sweeping the world, organisations seek new challenges to reach and maintain market leadership. South Africa is a country of total diversity due to the multicultural composition of its population, and business totally underestimates the effect and influence of diversity on day-to-day business operations and finances.

✓ Meyer (2000:346) fully agrees that South Africa is blessed with a diverse population, which increases the competitiveness in organisations. Leaders must motivate people from very different cultural backgrounds, experiences and leadership styles to collaborate effective empowerment. South African companies do not really recognise the impact of cultural

diversity shaping employees' personalities, communities and ethnic groups in the workplace, as the construction of a white South Africa identity was predicted on the control of the apparatus of state and privileged access to resources by the white minority. Baines (1998:1) tends to agree that the workplace is the environment in which genuine interaction between different cultures takes place. Making the most of diversity is to make a concerted effort to become aware of what dimensions of cultural diversity exists within an organisation, to acknowledge the fact that there are differences between individual groups of people, and to talk about cultural differences. As diversity grows in an organisation, so does the complexity of communication. Communication in South Africa became a major problem due to the fact that this country has eleven official languages (OIM, 1994:1).

The transition to full democracy and the need for further and greater engagement in the workplace promoted the ideals of industrial democracy. Meeting the objectives of world-class competitiveness makes it essential to address the massive ignorance of culture differences, traditions and perceptions of the world. Management of diversity can also bring values to the workplace, and in that sense can increase the complexity of ethical decision-making (Meyer, 2000:346).

✓ The following different culture groups are represented in Country Bird (Country Bird Employment Equity Report 2000):

- White English-speaking employees;
- White Afrikaans-speaking employees;
- Black Sotho-speaking employees;
- Black Tswana-speaking employees;
- Indian English-speaking employees; and
- Coloured Afrikaans-speaking employees.

It is important that the management of companies manage workforce diversity to the benefit of the company. The management of diversity begins with developing awareness and understanding of cultural values, beliefs and stereotypes. Appreciation, discussion and understanding of cultural diversity can result in a clearer picture of cultural diversity being formed, and does not just mean tolerating differences amongst individuals or groups, but supporting and nurturing them. Management must allow empowerment to create conditions under which organisations can grow and develop.

- ✓ The more people become aware of the components of culture and learn about their own beliefs, attitudes and styles, the more competent they can eventually become in dealing with and working alongside people from different cultures. Craig (1987:192) stated that if people really want to change, they must be willing to commit themselves to an effort that will extend over a long period of time, for negative norms are often deep-rooted, and building support for positive ones is crucial.

Taking into account the above-mentioned, it seems that a more diverse workforce will increase organisational effectiveness. The effective management of cultural diversity will definitely lift morale, enhance productivity and allow greater access to segments in the market place. Laubscher (2001:18) supports the fact that companies favouring this paradigm have developed an outlook on diversity that enables them to incorporate employees' perspectives into the core function of the organisation. Attention to cultural diversity may be the necessary catalyst to make things happen.

A holistic approach to cultural diversity management is therefore necessary. Meyer (2000: 5) supports the belief that management should maintain and recognise a diversity initiative as being a process of organisational change that is associated with the acknowledgement of diversity as an important business strategy.

2.4.1 Harnessing of Cultural Diversity

✓ South Africa is a country of cultural complexity and traditions that responded to the notion of diversity with ambivalence, and it has to embrace diversity as a fundamental reality that reveals the richness of our country and ensures a place for everyone under the southern sun (Mandew, 2000:18).

Diversity recognises the strength and potential of each individual which broadens the working culture, ensuring that a variety of creative thinking styles and life patterns can be accommodated for the benefit of the organisation (Thacker, 2002:52). It is important to attempt transforming and reconstructing the country's society, keeping in mind how the architects of apartheid used diversity negatively to advance their ideological agenda.

Many cultural traditions that co-exist in human society allow difficult situations unfolding in the workplace, due to different perceptions and values which are normally clouded by personal feelings. Personal feelings should not be allowed to be dominant, as every different cultural group believe that their traditions are superior and should be forced down on other people for their own good. Situations like this may initially be unbearable as tensions, anger and misunderstandings increase (Holman Group, 2000:1).

The 1948 segregation policy (separate development) of the former governing National Party in South Africa brought along many pre-conceived ideas and perceptions that divided our country's culture in civic and ethnics nationalism. Civic nationalism refers to fostering loyalty to a political community, whereas ethnic nationalism emphasises the common descent or affinities of people in respect to language and religion. Tjaart Minnaar (OIM Consultant) disagreed with the above statement during a Country Bird Leadership Summit on 24 January 2000,

stating that it is not possible due to the lack of an obvious dominant ethnic and/or culture group, precisely what makes the South African situation rather unique in that enormous animosity is brought along in the workplace. Ignorance and the incomprehension of cultures and subcultures are the main reasons why people do not understand and know each other. "Due to tragic inheritance of our past we do not know each other, and do not appreciate what we know of each other" (OIM, 1994:1). However, in the workplace, traditional, national and ethnic cultures become blurred (Thompson and Schonken, 1998: 67).

However, some individuals, irrespective of colour or gender, have difficulty in crossing cultural barriers and experience major problems when interacting professionally with other cultural groups because each culture contains its own value system and the way of approaching different issues.

2.4.2 The South African Cultural Package

Taking the different South African cultures in consideration, it is deemed necessary to look at the three basic types of cultures that influenced the establishment of the different cultures and subcultures in one country. Tjaart Minnaar, an OIM Consultant, summarised the "South African package of culture" at a Country Bird Leadership Summit, 24 January 2000, held at the Protea Hotel in Bloemfontein, as follows:

Cultural Packages South Africa

Western Culture: Mainly a rural, relaxed and conservative culture that later changed to a mainly urban, time-/progressive-related culture.

Eastern Culture: Mainly a Muslim culture that is very much business orientated, and a Hindu culture that is very much religion orientated. In both instances extreme loyalty towards the group is very much evident.

Table 2.1 Cultural Packages in South Africa

With reference to the basic types of cultures within South Africa, it is evident that this stereotype approach and gross generalisation tends to negatively affect communication, not just in the workplace, but also in the community at large. Harboursing resentment towards other cultural groups can and will interfere with the ability to interact in a positive and professional manner when it comes to communication, problem solving and other informal interactions (Holman Group, 2000:1).

Adams and Goldbard (1998:1) stated that culture must be seen as a public interest, and not something to hide upon or to see as perfect. As

a result, individuals must be provided an opportunity to develop friendships with different ethnic groups (Holman Group, 2000:1).

2.5 Resistance to Change

During and after the political transformation in 1994 and South Africa's entrance into the global world of business competitiveness, it was clear that companies had to undergo major strategic changes to survive. The most basic fact of life is change, and yet, the most difficult thing to deliberately achieve. As the saying goes, "The more things change, the more they stay the same" (Gosteli, 1997:39).

Change occurs when the old is getting replaced with the new, it is about travelling from the old to the new, leaving yesterday behind in exchange for a new tomorrow. According to De Jager (2001: 24) implementing of change is incredibly difficult and most people are reluctant to leave the familiar behind. Employees normally see transformation as disruptive, intrusive and upsetting the balance, and people normally tend to react emotionally and aggressive to change (Hamilton–Attwell, 1997:22). There are various reasons why people resist change, but the most common is because change involves a disruption of the established patterns of operation. However, change is a natural life process, but it can trigger fear, unconsciously causing resistance and clinging to the

comfort of the familiar. Fear normally develops when rules and personal security are reduced (Thompson, 1984:1).

One of the most critical downfalls of any organisation's transformation process lies in its employees' capacity to accommodate change. In today's corporate environment when the words restructuring, privatisation or transformation come up, the rumour mill starts to turn and people think of retrenchments (Tshatedi, 2000:41). Foote (2001:36) states that resistance to change is an important part of human beings' innate to survive, but it can also result in destruction. "It usually results in others becoming angry or vengeful, and as such, it can work against your intentions and cause people to lose respect for you." (Sunny Potsdam Counseling Centre, 2000).

Taking in consideration the diversity of the workforce, it is evident that employees are people with a high need for security, as resistance threatens their feelings of safety and power base because it is "palpable in companies pursuing change initiatives" (Foote, 2001:36). Gosteli (1997:40) agrees that resistance to change relates to an individual's understanding of survival, but people fear that change will worsen their survival, not improve it. Rational resistance is because people feel uninvolved in the change process - especially when it is being forced upon them and if they had no involvement on the process. According to De Jager (2001:28) resistance becomes nothing more than a contest of wills. Another rational reason why people resist change is that they fear

having to learn something new and they simply fear the unknown future and doubt their ability to adapt to it. De Jager (2001:24) states that resistance is simply a very effective, very powerful, very useful mechanism towards change.

Overcoming the resistance change is to involve people and making them part of the solution instead of part of the problem. Robbins (1991:639) agrees that resistance to change is positive as it provides a degree of stability and predictability to behaviour. If there were no resistance to change, organisational behaviour would take on characteristics of chaotic randomness. Leaders of change must be willing to uncover their own misconceptions, beliefs and habits that may cause them to repeat the past and avoid risk and change.

Will the current managers and supervisors of an organisation be able to confront such a realisation, or will they bury their heads in the sand and deny reality, or do they fondly believe they are already doing things that they are not? It is important to understand the root of possible resistance to change, and organisations could plan to, and overcome resistance before it became a significant obstacle. When there is a reason to change, supervisors has to voice it, if there is no reason to change, avoid it (De Jager, 2001:28)

Resistance to change could be reduced through communicating with employees to help them see the logic of change (Robbins, 1991:643).

This tactic assumes that the source of resistance lies in the misinformation of, and/or total or poor communication, as an inhibiting environment cannot add value to the performance of an organisation. It is important to communicate change, as Senge (1995:73) indicated: "The sharing of relevant information might involve people to comprehend." Foote (2001:36) also supports Robbins, stating that it is important to constantly provide information to employees until it slowly sinks in, and to repeatedly communicate the mission, vision, philosophy, process, choices and details about change initiatives.

A pragmatic view is that its involvement gives employees a little extra power, and extra say in decision-making (Thompson, 1997:34). Mulling (2000: 3) also agrees by categorically stating that when people feel they are true contributors and not just cogs in a wheel, they are more likely to respond in a positive manner. Positive communication and involvement of all stakeholders can bring along positive change due to the importance of talking and listening. Senge (1995:74) states that if employees have the freedom and safety to talk about their fears, it gives them mutual courage to approach the new organisation honestly. According to Gosteli (1997:40) people who resist change will then perceive a need for change and a demand for improvement.

- ✓ De Jager (2001:24) mentioned that when management really do want to implement change, they could create a learning environment to help resisters overcome their fears. According to Meyer (2000:116) the

following interventions could be implemented to successfully overcome resistance to change: “Education and communication, participation and involvements, facilitation and support, negotiations and agreement, manipulation and co-optation, and, explicit and implicit coercion”.

“Whatever else you do, fight for as long as possible the temptation to reject resistance. Resistance to change is normal and natural. It makes itself known mostly as a plea for a reason to change. Is there’s a reason to change, voice it. If there is no reason to change, avoid it. Instead of rejecting resistance, listen, learn, and lead” (De Jager, 2001:24).

2.6 Management of Cultural Diversity

The management of cultural diversity begins with developing awareness and understanding of different cultural values and beliefs. Matching the workplace with the market place, management needs to culturally diversify the workforce to be compatible with the organisation’s market strategy.

Alert (1999:4) stated that the composition of employee mix has seen an evolutionary path that in many firms have progressed from employment of people from different racio-ethnic backgrounds, to those previously referred to as subcultures. When people become aware of the components of culture and own beliefs, attitudes and styles, the more

competent they eventually become in dealing with and working alongside people from different cultures.

On the other side relationship problems will increase between the different cultures when individuals fail to make an effort to cross barriers and become more sensitive to understand cultural differences as a step in effective communication. Lombaard (OIM, 1994:1) supports the statement that ignorance and incomprehension of cultures and subcultures are the main reasons why people do not understand and know each other.

Culture is not such a complicated idea as generally thought. It is the applications within different cultures that can become very complex (Adams, 1998:1). However, some individuals, irrespective of colour or gender, have difficulty in crossing cultural barriers and experience major problems when interacting professionally with other cultural groups, as each culture contains its own value system and ways of approaching different issues.

On the more positive side it is possible that two or more ethnic cultures, or two or more corporate cultures may find enough common ground to melt into a culture to which each is willing to make concessions. In order to maintain a successful business relationship, cultural concessions need to be negotiated without loss of cultural integrity. According to Allert (1999: 5) the alliance is a partnership that preserves the relationship

through cultural concession, such concessions being intrinsic to negotiated congruence. The fact that the concessions are drawn from within the partnership subsequently enables the relationship to be managed on the basis of cultural congruence.

According to Lombaard (OIM, 1994:2) management and employees have to understand the interrelatedness of certain important aspects of culture, and it is important to learn and to understand some underlying cultural differences that could have a negative effect on working relationships:

- My children in the Transkei are hungry (OIM, 1994:3)

An old Xhosa gardener mentioned towards his employer's daughter that his children in the Transkei are hungry. The girl was very upset about the comment and mentioned it to her father, but her father did not understand the old man's statement.

Through this statement the old man indicated that he was in need of more money, and in the traditional African culture it is rude and disrespectful to approach your senior or an older person directly. In the African cultures an ordinary tribe member will approach the chief through an "indoena" for the same reason as mentioned above. In this case the old man had seen his employer's daughter as a substitute for the "indoena".

It is also important to note the importance of a third party during “labolla” negotiations, and also when an individual experiences problems with another person’s conduct. In the traditional African culture the person should never approach the one who offends him directly, but should discuss it with a third person who is very near to that person.

Many African cultures regard being “straight to the point” as rude, and it is important to them to prepare the ground for negotiations by beating around the bush, whereas the Western culture are traditionally direct and explicit. The traditional long-windedness of the African culture during any type of consultation or negotiations is dually due to respect towards the other party and their way to “prepare the ground”, whereas in the Western culture any consultation or negotiation is very direct and to the point due to the fact that “time is money”, and does not imply showing disrespect towards the other party. Western cultured people are much more egocentric and individualistic, very time bound and to the point. It is important that people out of the western culture has to learn how to listen and how to speak.

- Form of Address (OIM, 1994:5)

Most African languages use politeness as a form of address to start a relationship with a stranger. The black man at the garage called a white lady “mama”, and it normally creates animosity, as it is unfamiliar in the

Western culture to be addressed in such a way by a black man or black woman. It is important to note that “mama” is one of the most respectful forms of addressing a woman in the black culture. He extolled the lady to the same status as his mother, whereas the Westerner views it as a blatant form of familiarity. The Westerner normally dislikes familiarity and sees it as an insult, which could create tension.

The biggest form of disrespect is for a black man to be called “boy”. The reason why is that a boy, normally in the Xhosa tradition, has the same status as a dog. No adult male will be accepted in any adult conversation if he had not undergone the initiation ceremony in the mountain school. Such a male, irrespective of his age, will be treated as a boy. Furthermore, no African woman will be allowed to marry a “boy”, as she will be the laughing-stock of the tribe. When looking at the above-mentioned, it is important to note the importance of initiation in the everyday life of certain black cultures.

Specially, in the workplace, social taboos could result in a tremendously negative attitude and affect productivity. Blacks also had the wrong perception regarding compulsory army service prior to the year 1994. They perceived it as a form of initiation for white boys, as their parents always made the statement that the army would change their boy into a man”.

- The funeral (OIM, 1994:9)

The objective of a funeral for Western people is normally the formality of “showing the last respect”, and the funeral is normally only attended by the immediate family of the deceased and held in private. In the African culture, the perception of a funeral is just the opposite. Normally, the extended family members attend the funeral. Different rituals are performed prior to the funeral, such as the slaughtering of animals and the cooking of massive meals serving the attendees. The importance of a slaughtered animal determines the deceased's prosperity in the great beyond and ensures the ongoing good relationships between those who are left behind and the newest addition to the ancestors.

Another side to the bonding with their ancestors is to understand the concept of the “extended family”. In the African culture the concept of a “family” not only refers to those part of the traditional Western family, but also “upwards” to the extended family of ancestors. It is one of the main reasons why the attendance of an African funeral is of the outmost importance, as the non-attendance will have a definite negative influence on an individual's day-to-day life.

It is more than just a gesture of goodwill to allow a black person to attend a funeral; if permission has been refused it could lead to desertion from work. When blacks apply for permission to attend a funeral, it is important to note that such an application is based on mutual understanding and trust, because African people never lie about a

funeral, as such an action would create unhappiness between the person and his/her ancestors, and again would affect his day-to-day life.

- How can you have more than two fathers? (OIM, 1994:11)

It normally happens that an African person would ask for time off to bury another father. In the everyday working environment such a request normally creates havoc if the supervisor does not understand the principle of what is meant by "extended family". In the black culture relationships are often much more structured than in the Western culture.

Traditionally in the black culture a child will accept his biological father's brothers as his second, third and fourth fathers, and the same with his mother's sisters. He acknowledges the brothers and sisters as his other fathers and mothers respectively. This value system of the extended family allows "no orphans", as the family members will look after such an orphan's wellbeing. The mentioned value system has a more positive influence on black families than on white families.

It is evident that black people is much more group orientated, which strongly promotes the principle of caring and sharing, and time is never a problem. Black Africans are normally very good listeners and good communicators due to their approach of long-windedness, "beating around the bush" and never being straight to the point. However, this is a

major constraint in business when it comes to negotiations, explaining issues and problems.

Relationship problems decreased between the different cultures when individuals made an effort to cross barriers and become more sensitive to understand cultural differences as a step in effective communication. The openness in which the discussions took place removed cross-cultural barriers and offered those “mistrusted” individuals a chance to experience the beauty of other people’s culture. Through total honest and open discussions, positive experiences unfold as individuals opened themselves to accepting diverse cultures with the basic rule of “never to hurt but to learn” (OIM Leadership, Employee Involvement and Communication, 1999:14).

It is thus true that the impact of culture in shaping personalities, attitudes, views, values and perceptions in the working environment has been underestimated and resulted in many unnecessary disputes.

2.7 Strategic Planning, Goals and Objectives

Business leaders today are facing the very real dilemmas and problems that arise in times of accelerated change. Old styles of leadership will not take innovative businesses where they want to go. Leaders must increase their own awareness of the process of change and their own capacity for versatility of action. A leader’s most important role is to take

responsibility for making sure the overall vision of the organisation is achieved and that he or she can create the prerequisites for making the vision reality (Allert, 1999:14).

Any global competitive organisation has a strategy, which defines what business it is in or wants to be in, and the kind of organisation it is or wants to be. Strategy is a managerial game plan for running a company, and outlines the organisation's goals and the means for attaining these goals. (Thompson, 1990:3)

An organisation's strategy is delineated in the pattern of moves and approaches devised by management to produce successful organisation performances (Thompson, 1990:3). Without any strategy to follow, there is no action plan for producing the intended results. Strategic planning involves designing a desired future and developing ways of bringing it about (Potter, 1998:14).

Strategic intent envisions a desired leadership position and establishes the criterion that the organisation will use to chart its progress. Strategic intent is more than simply unfettered ambition. According to Hamel and Prahalad (1989: 55) the concept also encompasses an active management process that includes focusing the organisation's attention on the essence of winning, motivating people by communicating the value of the target, leaving room for individual and team contributions, sustaining enthusiasm by providing new operational definitions as

circumstances change, and, consistently using intent to guide resource allocations.

It is important that strategic goals, competencies and core values of a company be communicated to the different operational levels in the organisation by senior management. Failing to communicate such important issues will create uncertainty about the direction of the company, and tends to influence the trust relationship between senior management and employees (ABM Consultants, 1999:2). The need for downward and upward communication is essential as the line of responsibility and accountability must be clear. However, if not utilised correctly by senior and middle management, it tends to create total confusion and frustration. This means that effective internal communication programmes support the successful completion of the organisation's strategic activity in a measurable way (Potter, 1998:14).

Individual and group success is very important for the survival of any organisation. Sithole (1999: 15) maintained that a relationship with no trust will either collapse or become stagnant. Wood (1999: 26) supports Sithole stating that it could also be the result of low employer commitment, where employees are treated simply as a commodity to be hired and fired at management's whim. Traditionally, employees have responded to such problems by promoting teamwork or better communication, often with mixed results.

Downward communication is often seen as a normal feedback session that does not really mean anything. “In contrast, the Japanese companies win, not because they have developed ways to harness the *wisdom of the anthill*. They realised that top managers are a bit like astronauts who circle the earth in the space shuttle. It may be the astronauts who get the glory, but everyone knows that the real intelligence behind the mission is located firmly on the ground” (Hamel, 1989: 66).

According to Thompson (1990:4) strategic management has the following five interrelated components:

“Developing a concept of the business and forming a vision of where the organisation needs to be headed – in effect, infusing the organisation with a sense of purpose, providing long-term direction, and establishing a mission.; translating the mission into specific long-range and short-range performance objectives; crafting a strategy to achieve the targeted performance; implementing and executing the chosen strategy efficiently and effectively; evaluating performance, reviewing the situation, and initiating corrective adjustments in mission, objectives, strategy, or implementation in light of actual experience, changing conditions, new ideas, and new opportunities.”

Lambert (1997:18) also agrees that “employers must empower all of our people to think strategically, and that means that every employee must be fully aware of what’s in it for them when the vision becomes reality.”

2.8 Training, Development and Education

The global business environment is characterised by uncertainty, rapid change and the continuous pursuit of competitiveness and excellence. Worldwide in the business environment of developed countries the need for employees to learn and change is no longer a subject for debate, it is reality and recognised as a necessity.

Meyer (2000: 87) agrees by stating the following: “In this, environmental organisations that are at the forefront of institutionalising what they are learning from the environment are the ones that will survive and prosper in these turbulent times.” Training, development and education are necessary not only for survival of the company, but equally important, for each employee’s own survival. Employees have to require new competencies in addition to the normal skills and technical competence required (Matheson, 1991:27).

In this sense, survival means to walk away from traditional training into a learning organisation intervention. The concept of traditional training is based on the notion that training only occurs in a classroom controlled by

an instructor. The concept of a learning organisation is defined by Senge (Meyer, 2000:254) as: "Organisations where people continually expand their capacity to create the results that they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together".

It is evident that learning is no longer restricted to an individual experience; learning becomes a team and organisational process which requires new and innovative ways of learning, managing performance, sharing information, exchange and dissemination with people and the environment. According to the American Society of Training and Development (2001:27), diversity training programmes should be aligned with corporate strategies and help drive and reinforce other organisational initiatives such as employee development, rewards and advancements.

The learning organisation embodies the culture of the organisation by moving away from traditional training and analysing the root causes of performance problems, and subsequently designing and implementing interventions that create a learning organisation (Meyer, 2000:254). It is the move from system-based thinking, where process is everything, to people-based thinking where individuals are celebrated (Thacker, 2002:52). Diverse training is about developing personal creativity and

bringing the mixture together for the benefit of all, and it aims to realise the potential of each individual

The American Society of Training and Development (2001:27) propose the following steps to ensure the effective implementation of diversity:

- Step 1: Obtain top-level leadership support.
- Step 2: Conduct a needs assessment.
- Step 3: Embed in a larger framework.
- Step 4: Research best practises.
- Step 5: Use diversity as a business advantage.
- Step 6: Design information and transformational programmes.
- Step 7: Use various methods and media.
- Step 8: Recognise your role.

Diversity recognises the strengths and potential of each individual through a variety of creative thinking styles, and life patterns can be accommodated for the benefit of the individual and the organisation (Thacker, 2002:52).

2.9 Communication and Diversity ✓

Communication is a word and concept that comes up in all kinds of forums and in all kinds of circumstances. It is generally agreed that "good

communication” is essential to any well-run organisation, seen as core strategy in “our effort”.

To assess this valuable information and to hold onto it, management needs to get closer to the people who hold this knowledge (Allert, 1999: 2). The success of any organisation depends to a large degree on managing communication in diverse environments.

Communication is one of the core management processes at any level of organisation, as employees in particular need meaningful information that is applicable to their work and commitment to the organisation (Wood, 1999:135). When any employee can relate that his or her job can have a positive effect on the company’s business and its goals, there is evidence that good employee communications is in place (Gordon, 1998:11).

Daily formal and informal channels of communication must be in place to set direction in every organisation, and involves providing employees with information on what should be important in their day-to-day work, what to focus on and to assist them in setting daily priorities. This is important, as the people who hold such knowledge increasingly want to be associated with reputable companies and be treated holistically, so that their emotional as well as intellectual needs are satisfied (Allert, 1999:4).

Communication is one of the core management processes during times of planning and changes within any organisation (Wood, 1999:135). Communication does not take place in a vacuum, nor is it likely to be practised using one technique to address one issue in isolation from other issues surrounding an organisational matter. New strategic plans can be implemented, organisations can be made effective, leadership can be exercised, and controls can be established through effective communication (Allert, 1999:6).

Senior leaders want their employees to be part of strategic management for positive results, and they know that communication is the bridge that will create a dialogue where groups get together around a common theme (Potter 1998:14).

Central to these changes and information is communication. It is clear that communication forms a link between organisational structures, the different organisational substructures and a central feature of the structure group and organisations. The more diversity of input into the communication process, the more likely ethnic and cultural differences will be addressed and not ignored or bungled.

Trust is built largely through the way in which the culture of communication is implemented by management. The role of the leader as a communicator is imperative in formulating and facilitating a positive organisational culture.

2.10 Summary

When perceiving cultural diversity in our country, it is necessary for blacks and whites to generate and transform new ideas to find out who and what they are, and to accept that they are all Africans. It is necessary for organisations to be globally competitive to discover and maintain their own collective identity, and therefore they need to establish competitive and co-operative practices.

The above-mentioned can only be reached when the basis of empowerment is a positive organisational climate, and when enabling structures such as effective communication are allowed to blossom. The developing of a culture of effective diversity management can be extremely positive and enriching for participants within the group. Perhaps, through exposure to cultural diversity in the workplace, individuals and groups of people will provide a chance to develop acceptance of other ethnic groups. Acceptance of cultures can only be something of the past when stereotypes and generalities are avoided and ignored. Viewing other racial groups from a positive perspective may help the groups struggling therewith to overcome their reluctance to accept cultural differences. Appreciation of these cultural variances could lead to richer communication, reduce friction and establish a positive work environment that will increase productivity and teamwork.



This can only happen when people truly understand what cultural diversity is all about. Firstly, employers and employees have to change their viewpoints before changing attitudes and behaviour. Cultural democracy illuminates places where healing is needed, as well as the challenge to develop the best in ourselves, especially in the workplace.

It is therefore important to discuss and investigate the influence of cultural diversity on the workplace. Craig (1987:192), on the other hand, warns that it would often be better not to start a programme at all than to start it when we are not prepared to continue with it.

CHAPTER 3

THE PROCESS OF EFFECTIVE COMMUNICATION

The focus of this chapter is on the process of effective communication and cross-cultural communication.

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CHAPTER 3

3.1 Introduction

Prior to the year 1999 a lack of good communication was seen as a major concern throughout Country Bird (ABM, 1999:2)(Appendix 1). At the time senior management ignored the achievement of good communication in business. In today's complex and fast-paced organisations, communication is just too important to be ignored. Internal communication is becoming more and more business driven as it is been integrated in strategy and practise (Whitwell and Arganbright, 1998:44).

Communication, according to Landes (2002:20), is not a normal business function anymore; it is the central nervous system of an organisation, a successfully interactive network link for sharing information and knowledge. Unfortunately there is still the perception that communication is a misunderstood discipline because "some senior managers do not have a good understanding of what communication can achieve" (E.B., 2000:5).

Every organisation has a history and work culture that is intertwined and that reflects in current work practises. Organisational culture is intimately tied to corporate culture where the formal and informal communication system assumes that people share common attitudes and values. During

any given period, the chief executive officer and the management team have a pervasive impact on communication within the organisation. It is a person's "attitude that is directly reflected by the state and health of the communication function" (Wood, 1999:136).

Senge (1994:301) supports Wood by saying that shared vision has a way of spreading through personal contact. It is clear that internal communication, irrespective of the source of communication, encompasses everything from strategic planning of key business messages to market segmentation to diversity management within the organisation.

Face-to-face communication seems to be the preferred way of communication in many organisations. According to Howard (1996:11) face-to-face communication should form the backbone of an internal communication strategy where the frontline supervisors and middle managers are the preferred source of information about the company. Orsini (2000:28) believes that face-to-face communication is the only effective way to resolve employee concerns.

Senge (1994:437) also supported the idea that organisations has to establish communication channels such as face-to-face and two-way communication as a norm of responsibility surfacing and naming the truth as completely as possible. According to De Raffeale (2000:12) open,

honest, free-flowing communication between managers and their staff is the key to the smooth operation of the business.

3.2 The Process of Communication

Communication is actually one of the most complex aspects of managing a diverse workforce band, and could be the reason why communication had been neglected by the management of Country Bird, although, "...many regard communication as a basic, straightforward management tool, it is actually one of the most complex aspects of managing a diverse workforce" (Arai, Wanca-Thiebault and Schockley-Zelabak, 2001:451). One of the most inhibiting forces to successful group performance is the lack of effective communication. It is only through transmitting meaning from one person to another that information and ideas can be conveyed (Robbins, 1991:316).

According to Westwood and Ishiyama (1990:163) the process of communication is circular in nature. Bendix (1996:325) agrees with Westwood et al. (1990), describing the communication process as follows: "The message is transmitted from the sender, who encodes the message in whatever form he finds most suitable, to the receiver, who decodes it and reacts accordingly." According to Robbins (1991:317) the communication model is made up of seven parts (Refer to Table 3.1):

Communication Model

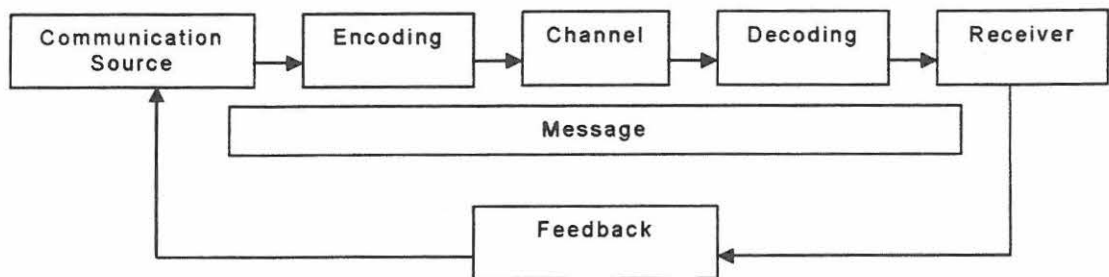


Table 3.1 (Robbins, 1991:317)

Unfortunately, the first problem arises since the sender may not encode the message in a form, which the receiver is able to decode due to certain semantic and cognitive barriers. Distortions, such as perception, attribution, motivation, group characteristic, cultural diversity and other organisational factors could have serious implications for both parties. Robbins (1991:318) also stated that if the encoding of a message were done carelessly, the message decoded by the sender would definitely be distorted.

It is true that prejudice, knowledge, perceptual skills and care in decoding are all factors that can result in the interpreting of the message somewhat differently than envisioned by the sender. Westwood et al. (1990:165) agrees that several factors may influence the correct message in that: "The process of encoding and decoding messages in communication is mediated by our perceptual filters, which are culturally determined to some degree."

The choice of words or language in which a sender encodes a message will influence the quality of communication, and the sender needs to verify whether the receiver understood the message correctly. Such information can only be obtained through feedback. This information often comes in a format that is not familiar, such as from a range of cultures and languages which must be transferred into usable knowledge (Allert, 1999:3). Arai et al. (2001:452) describes language as only the beginning of cross-cultural communication.

Without the awareness of nuances in language, different styles and semantic differences, the potential for garbled communication is enormous when interacting with others. It emphasises specific sources of cultural misunderstanding and increases the levels of frustration of not understanding or being understood.

3.3 Principles of Communication in Business



Good internal communication is essential to any well-run company or organisation. The basis of communication in any organisation is the commitment of senior management, as they are perceived as the key to communication in the organisation. Senior Management also determines the hierarchical system that gives direction to and places restrictions upon the flow of communication. Open communication was not part of Country

Bird's normal managerial approach, neither has it been supported by the influence of the recognised leader of the organisation.

Communication is one of the core management processes during times of planning and changes within any organisation (Wood, 1999:136). Internal organisational communications normally starts with the personal commitment and individual involvement of senior executives. Executive officers, who consider employee communications as one of their most important responsibilities, normally set the direction, tone and climate for communication throughout the company (Howard, 1996:11). Gerber et al. (1998:357) agrees that communication and communication channels are very important for the survival of organisations.

Communication is one of the core management processes at any level of organisation, as staff; in particular, need to receive information that is meaningful to their work and their commitment to the organisation. Wood (1999:139) indicated that a leader has to communicate what he/she is doing and why it is being done. Successful communication is planned, constructed and managed.

The purpose of internal communication is not merely to inform but to affect change in attitudes and behaviour in a company. It is important that the channels of communication, whether formal or informal, are clearly defined, and that the information received by employees is meaningful to their work and their commitment to the organisation or change process.

Employees in the organisations have to understand the reason for change and the process being adopted to make the decisions and implement the change. Openness and honesty during the communication process will minimise distorted information, show confidence in employees' abilities by treating them as skilled, competent associates, listens to and values what employees say, even though management might not agree, and keeps promises and commitments (Wright, 1995:17).

Despite the formal communication channel or communication system, the vast majority of employees still depend on the company grapevine as a critical source of information (Poe and Courter, 1994:5). According to Mishra (1990:213) nearly all the information within the grapevine is undocumented and open to change and interpretation, as it moves and often travels faster than the available formal channels. The grapevine is an informal and unsanctioned network of information in the organisation and moves in every direction. It moves upwards, downwards and diagonally, within and without chains of command, between workers and managers, and even with and without a company.

Interesting to note is that the grapevine can penetrate even the tightest security, because it cuts across organisational lines and deals directly with people in the now. Caudron (1998:26) supports the importance of the grapevine, as it is not only about rumours, but is actually the sign of a healthy organisation.

3.4 The 5M-Communication Model

The 5M-Communication Model was successfully implemented and maintained in a Northern Free State Gold Mine in the late 1990's, and it is deemed necessary to look at the basis of the communication process.

According to Coetzee (1992:61), the 5M-Communication Model consists of the process (message, motive and market), output (media) and monitoring. It is therefore necessary to look at the model to really understand the objective of communication.

3.4.1 Message

Real communication is seen as an active process, and the goal is normally "common"-understanding, although it is an incredibly broad area. According to Orsini (2000:29) internal communication is fundamental to good governance, and the art really lies in knowing what tool to use for the specific circumstances. It is essential that messages must flow back and forth in a continuous exchange. When the communication process occurs in a straight line, it is nothing more than message distribution (Landes, 2002:21).

It is important that the message desired to be communicated, is transferred in a language understood by employees (Poole, 2000:39).

Communication by means of language is always vague and misleading to some extent, as most employees want to be understood, but often a cloud of misunderstanding seems to block employees from making effective contact with other people. Vague language and confusing jargon are serious barriers to internal communication (Guth, 1995:12). According to De Raffe (2000:12) improper communication through misunderstanding accounts for approximately 80% of problems in companies. The more diversity of input in the communication process, the more likely ethnic and cultural differences will be addressed and not ignored or bungled. (Allert, 1999:7). Campbell (2001:124) agrees that the development of a common organisational language is important to keep company staff well informed.

For any organisation to achieve a high-trust relationship, facilitators responsible for internal communications need to make a basic shift away from being media and message mongers towards a communication process for which everyone is responsible and in which everyone plays a vital role.

3.4.2 Motive

During the communication process it is important to determine the motive of the message that has to be communicated. The motive is normally to focus on facilitating the exchange of information related to the initiative and making sure that everyone understands his or her role in the process.

According to Poole (2000:34) internal communication is essential to ensure that employees are informed and engaged.

Any organisation needs well-informed employees, working in a high-trust employer versus employee relationship, and therefore need to state that need for reality in the face and determine what it means for organisational communication. Meyer (2000:56) also indicated that the appropriate communication systems and processes must be in place to ensure that employees do feel part of the organisations and are receiving positive and accurate information.

Trust plays a vital role in diverse communications. The key to the process is to eliminate all barriers, and to ensure that all information is open and available, as managers should openly discuss problems with employees (Raths, 1999:83). Employees normally fear the unknown, and a lack of openness can result in actions by employees that could damage the business (Fisherman, 2000:23). It is important that the communication process has to be owned by the entire diverse organisation by developing a culture that will accept change. All too often, organisations shoot internal messages into the air and then wonder why employees never receive them, and in this age of growing worker dissension it is critical to maintain top-notch internal communication. (Wright 1995:17)

The trust factor between employer and employee is so important that employees must be told any news first; whether it is good news with bad

news or vice versa. The communication process has to take place in a timely fashion, as employees must be informed on subjects they consider important in outlets they normally trust (Wright, 1995:17). According to Woods (1999:136), research by Gray in 1988 in Australia, found the following: "The immediate supervisor was a major source of information, communication from senior management is highly regarded, and an assumption could not be drawn that employee publication would necessarily improve employee communication".

An employee does not want to hear company news through the media or via the grapevine. Employees want to hear the news from their immediate or top executives. According to Barret and Luedecke (1996:29) employees normally prefer to hear the message, whether it is good or bad, from their immediate supervisors. Communication in this sense has to be open and honest, without distortion of information. It is important to note that equal degrees of openness by both parties (employer and employee) will result in greater satisfaction than when only one of the parties practises open communication (Flippo, 1984:501).

3.4.3 Market

The type of market or target population to be reached will determine the amount of information that will be made available. According to Coetzee (1992:65) the market could be divided into the following: "All employees,

supervisors only, all officials, all Heads of Departments, unions and councils, and the community”.

It is therefore important to note that the market will determine the media used to communicate the message (Adey, 1990:164).

3.4.4 Media

The type and effectiveness of communication, which occurs within an organisation, will greatly depend on the manner in which the company is structured. The method of communication or the preferred channel of communication used in organisations is of the outmost importance, as it determines the effectiveness of communication. Kur (1996) agrees, stating that organisations have to select their communication vehicle according to the purpose of the communication.

The different types of communication media used can be based on a formal or informal communication method. Information must be conveyed in such a way that the needs and expectations of the group are addressed. It is deemed necessary to look at the different formal communication media available. In the past Country Bird only made use of employee communiqués, in English only, as a form of communication, and these communiqués were posted on all notice-boards without any form of explanation. According to Coetzee (1992:65) formal media refer to the methods management would use to reach production objectives:

- **Personal and Written Media**
 - Letters
 - Memoranda
 - Notes
 - Reports

- **Internal Mass Media**
 - Policies and Procedures
 - Circulars
 - Press announcements

- **Educational Media**
 - Induction and Orientation
 - Training Courses
 - Information Sessions
 - Information Booklets
 - Books
 - Training Procedures

- **Personal Contact Media**

- Information Sessions
- Meetings
- Workplace Contacts
- Telephone
- Revision Sessions

The wrong channel or combination of communication channels could influence the effectiveness of the objective to communicate. According to Bendix (1996:328) some individuals are inclined to over-communicate as they engage in too much detail, thus losing the gist of the communication, or overloading the content of the communication. Wood (1999:11) also states that there must be a clear distinction between information (too much) and communication (not enough). It is important to plan communication that is not only effective but also relevant and accepted to those involved. Poole (2000:35) agrees by stating that in any organisation communication has to focus on facilitating the exchange of information related to the initiative, and making sure that everyone understand their role. It is important to restate what is heard in order to clarify and validate understanding during authentic listening (Cashman, 2000:9).

According to Landes (2002:20) organisations are in need of a more robust system to ensure the optimal sharing of data, information and knowledge with employees, as the message often gets lost in the spectacle and “programitis” that accompany the typical management movement. “It

takes an unusual set of skills to confidently articulate the company's goals and plans with precision, passion and pride" (Howard, 1996:11)

According to Wood (1999:143) communication plays a vital role in challenging people in the first instance and to engender two-way communication. The most common way of employee communication, whether it is formal or informal, is on a face-to-face basis. Bendix (1996:333) also stated that in terms of effectiveness of communication, one-to-one meetings rate the highest, followed by small group meetings. Clear emphasis must come from senior management, and it should be backed by action, otherwise managers themselves might not see the need to devote the necessary time to communicate (Howard, 1998:11). As a result of legitimate time constraints, it might happen that reluctant supervisors, junior and middle managers voice concerns about their ability to handle face-to-face sessions.

Wood (1999:137) stated that Mackay concludes that it is "the time and effort devoted to the establishment of personal contact which creates a climate in which communication will occur more easily and more effectively".

3.4.5 Monitoring and Auditing

It is important to find out whether the communicated message and the decoding of the message were interpreted correctly or not. It is important

to ask questions and allow time for questions at the end of every meeting
(Fisherman 2000:23)

The inclusion of a feedback mechanism summarising unresolved issues and unanswered questions is essential. It is necessary to complete the communication loop and provide input for follow-up communication (Howard, 1996:14). During face-to-face communication sessions employees are given the opportunity to ask questions, offer opinions and give and receive feedback. This method gives senior executives the opportunity to hear firsthand what is on their employees' minds, whether it is good or bad concerns. According to Barret (1996:34) it is important that the communication process provides channels for feedback for employees to express their opinions, recommendations and concerns. Reviewing of audit results also helps to monitor whether the message was delivered and how the content of the message was accepted. Such forums have to provide the opportunity for input from employees on a daily basis.

A different perspective can be established from management who spend too much time in meetings themselves. It is important to implement a fixed agenda when communicating.

3.5 Rules for Improving Cross-Cultural Communication

Internal communication within the organisation reflects the organisational culture, and people from diverse cultural backgrounds normally interpret

and evaluate things differently, and consequently act differently upon the message. In the case of a diverse workforce, ineffective communication clearly creates the potential for increased communication problems.

According to DuPraw (1997) "culture " is often the root of communication challenges. Daly (1998:3) stated that communication and interpersonal relationships are vital contributors to successful, supportive management of diversity in the workplace. However, the extent to which communication spreads throughout the organisation depends on the channels of communication used to cover the flow of information across every section within the whole of the organisation (Wood 1999:139). The strength of culture has linked quite strongly with the management style and personality of the acknowledged leader.

The following rules can be helpful during cross-cultural communication: "...assume differences until similarity is proven, emphasise description rather than interpretation or evaluation, practice empathy and treat your interpretations as a working hypothesis" (Bendix, 1991:333).

3.6 Training and Communication

Every person in the world has a unique perspective on the world due to diverse cultural backgrounds. De Raffeale (2000:13) categorically stated: "You have to be aware of the differences between people as it will affect

your style of communication and therefore your effectiveness as a manager". The need for intercultural communication enhancement, especially intercultural sensitivity, across disciplines becomes critical for future business success.

According to Bean (2002:11) effective communication is not something that just happens, it needs to follow consistent procedures and provide complete information. Communication skills training and ongoing coaching are necessary to successfully put the responsibility for internal communications in the hands of frontline supervisors where it belongs (Howard, 1996:14). According to Craig (1987:723) it is important that specific skills for behaviour within the culture are identified, analysed and taught.

Orsini (2000:33) promoted that the value of effective internal communication builds relationships, builds a sense community, creates opportunities for networking and sharing best practices, fosters trust, encourages participation of all staff, provides immediate feedback, ensures that everybody gets the same message at the same time, facilitates common understanding, encourages team building, enhances informed decisions through information sharing, celebrates and recognises achievements and staff contributions, leads to improved performance, increases efficiency and effectiveness of operations, emphasises face-to-face and two-way communications, empowers staff and creates opportunities for learning and development.



It should not be assumed that communication ability comes natural and hence requires no training. According to Chen (1998:1) education and training is needed for greater cultural and ethnic understanding that will preserve threatened cultural diversity. Craig (1987:741) states that communication training should conform to two principle criteria: "It needs to be simply designed to meet the needs of the participants. It should be skill-orientated and not aim to make the participants aware, or sensitive, or even knowledgeable, rather it should leave them with the ability to communicate better".

3.7 Summary

Communication is a two-way process of sending and receiving information, although it does not always end when information is given. It is evident that communication is an extremely complicated, transactional process, subject to a great deal of interference, filtering and distortion that has an effect on its effectiveness (Bendix, 1996:327).

Due to the enormous effect of distortions that may occur, managers should be aware of the effectiveness of communication channels when communicating to a diverse workforce. The available communication channels must be appropriate and effective, depending on the message to be communicated. Ineffective communication often results in poor co-

operation and co-ordination, undercurrents of tension, gossip and rumours. Real communication is an active process and it is necessary to be open about the organisation or the individual employee's strength and weaknesses, lack of experience or expertise (Fishman, 2000:23).

Practical face-to-face communication is the most preferable way of communication. According to Wood (1999:147) greater participation could be achieved when there are openness regarding the business' strengths and weaknesses. Fishman (2000:23) also agrees, stating that a lack of openness can result in employees taking actions that damage the business. Gresing-Pophal (2001:74) categorically stated: "Effective communication within an organisation can lead to a more engaged, loyal workforce".

A climate of trust has to be created in the communication process between management and employees. It is important to manage internal communication pro-actively and to set in place alliances and methods of communication between management and employees securing cross-cultural trust. According to Allert (1999:8) the answer lies in building a trust relationship by means of true and enriching leadership communication, as communicating with diversity requires a diversity of communication.

In a very real sense this is the basic issue, because without cross-cultural respect there can be no alliance; and without alliance there will be no consensus to underpin new knowledge-based paradigm to guide

worldwide stability in the face of eroded efficiency in global economies
(Allert, 1999:10).

CHAPTER 4

THE NEGATIVE EFFECTS AND CONSTRAINTS ON COMPANY PROFITABILITY

The focus of this chapter is on the effects and areas of constraints on company profitability, lack of assertiveness, and profitability.

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CHAPTER 4

4.1 Background

4.1.1 General overview of the Company

Country Bird is currently the fifth largest breeder, broiler and producer of frozen chicken in the country and seen as a well-established company within the South African poultry industry.

Country Bird was one of the first companies to be established in the Botshabelo Industrial Complex in the early 1980's as a result of the ex-National Party's segregation/separate development policies. However, identified internal and external constraints prohibited the company from achieving the expected growth potential and profit margins (Country Bird F97 Budget Review).

Constraints such as workforce diversity, management style, high production costs, ignoring bio-security measures, illiterate workforce, inefficient training and development, broader national agenda of trade unions and the lack of an effective internal communication system place tremendous pressure on the achievement of acceptable profit margins.

An audit by ABM Management Consultants in November 1999 substantiated some of the above-mentioned constraints, having a detrimental effect on the productivity and profitability of the company.

4.1.1 Areas of Constraints

4.1.2.1 Lack of Strategic Planning

Prior to the year 1999, Country Bird expanded its breeding facilities at Kelly's View in Bloemfontein and the building of the Tigane Abattoir facilities in North West in order to increase its market share in the frozen chicken industry. The Kelly's View Breeding facility was built mainly to overcome the bio-security risk, far away from the Broiler Farm in Botshabelo. The poultry industry norm is very clear as breeding and broiler facilities cannot be accommodated on one facility due to the bio-security risk of contagious sicknesses and illnesses. The Tigane Processing Plant facility was built dually to accommodate broiler contract growers in the North West Province and to expand Country Bird's Gauteng and Northern Province market shares.

According to an audit feedback by ABM Management Consultants, (1999:7) the perception of all levels of employment up to middle management level indicated that senior management did not have the relevant industry expertise to set up the new Kelly's View breeding facility and operation and the Tigane Abattoir. Management is seen as crisis

managers and pro-activeness did not exist. Until the late 1990's it became evident that the company had no official strategic plan or any strategic vision that envisaged any way forward, which resulted in a detrimental effect on the Company's financial performance, production results, bio-security and marketing strategy (Country Bird Strategic Planning Session, October 1999).

According to ABM (1999:1) it was evident that prior to the year 1999, the company's strategic goals were set by senior management and had never been communicated to the different management and operational levels within the company. Furthermore, employees perceived management unwilling to utilise employees' expertise and knowledge in determining the strategic development of the company. This created a relationship of mistrust between employer and employee.

A traditional paternalistic co-operative management team managed Country Bird prior to the year 1998. In order to save Country Bird, the Board of Directors of Senwes (the mother company) decided to appoint a more moderate managing director. The newly appointed managing director, Mr Tjaart Kruger, inherited a company with a financial loss of R8.166 million for the financial year 1997/1998, and a bio-security breach of Newcastle disease that was the worst in the history of the company. He was also given carte blanche to appoint his own management team.

Furthermore, detrimental to the financial performance of the company, was the high operational cost. The cent per kilogramme chicken delivered was way too high due to high feed cost, intensive vaccination programmes (due to Newcastle disease), price of imported chicken and unproductive labour force (ABM, 1999:8). Productivity wise the Botshabelo Processing Plant could only produce 9.3 chickens per man-hour slaughtered, compared to the poultry industry norm of 18 chickens per man-hour slaughtered (Directors' Meeting, 20 November 1997). The diverse workforce, poor employer-employee communication and relationships, and processing equipment that were relatively old and outdated when compared with the rest of the important role players in the poultry industry were the main contributors for the poor productivity rate.

The immediate short-term strategic approach of the Managing Director was to fix the Newcastle disease that lasted 6 cycles or approximately 12 months, focus on low production cost, improve production results, strategise a new market and to appoint a new management team.

The newly appointed management team was finalised in January 1999, and consisted of a combination of managers that understood the leadership philosophy of the Managing Director, the internal and external poultry business, environmental impact on the business with regard to politics, economics, technology, socio-economics, markets, natural resources and the environment (OIM, Business Environment, 2000:2). Taking into consideration the total dismay of the company, it was

imperative to create or to implement any kind of strategic plan, because an organisation's strategy, in effect, is a managerial game plan for running the organisation.

The management team understood the rationale behind the strategic direction of the company, and embarked on a strategic planning session to determine the vision, mission, values and the desired organisational culture of the company. The Strategic Planning Session took place over a period of three days from 14 to 16 October 1999, at Bain's Game Lodge, Bloemfontein.

It was the first official strategic planning session in the history of the company and formed the starting block of the total transformation plan of the company. Theories of employee involvement emphasised cascading power, information, rewards and training to the lowest level possible in the organisational hierarchy (Pun, Chin and Gill, 2001:95).

Strategic planning is important to business. Strategic planning is where management decide what must be done if the mission of the organisation is to be achieved (Rabey, 1994:34). Managers develop strategies to give orders on how the organisation will go about its business, and to achieve target objectives. Indeed, good strategy and good strategy implementation are the most trustworthy signs of good management (Thompson and Strictland, 1990:3).

Strategic discussions create the opportunity for intensive consultation, which results in the establishment of an official strategic plan and a decision being made with regard to the way forward.

4.1.2.2. Organisation Structure

The original organisational structure was based on the traditional hierarchy that is the most prevalent structure found in typical functional and bureaucratic organisations. The hierarchy of authority, also called the chain of command, is a control mechanism dedicated to making sure that the right people do the right things at the right time. Historically, managers have maintained the integrity of the hierarchy of authority by adhering to the unity of command (Kreitner and Kinicki, 1995: 486).

This mentioned structure ensures stability and relative inflexibility of a mechanistic structure. There is an unmistakable hierarchy of authority. In this type of organisation, activities are specialised into clearly defined jobs and tasks. Most manufacturing organisations or companies tend to fall into this model by default, and a serious problem is that it is static of nature, especially during change when speed and flexibility become more important. Persons, normally of a higher rank in a mechanistic organisation, have greater knowledge than those at a lower level. Unresolved issues are passed up the hierarchy where standardised policies and procedures normally rule decision.

Country Bird's management structure has been re-structured to enhance more organisational effectiveness, the need for success and to be able to rapidly adapt to change. The structuring for success is important as the mapping and alignment of the company's organisational structures are according to the needs of the strategy. With the change from the traditional hierarchy to a more simplex and effective flat hierarchy, the organisation planned to implement an improved communication and information system and a more empowered management style in order to allow direct workforce involvement in the core processes.

Centralised functions were changed into different complex units to improve and implement sound business practices (Refer to Table 4.1). The complexes were as follows:

Country Bird Business Structure



Table 4.1 Country Bird Business Structure

Notwithstanding, transforming a traditional organisation is often extremely difficult because many organisations have built powerful cultures, systems and practices. The authority and responsibility lines of the new Country Bird structures were clear, however not utilised correctly (especially by middle and junior management), tends to lead to confusion, frustration and

continuation of the existence of the same functional barriers (ABM, 1999:2).

Important to note is that one of the major concerns and contributions to weak human qualities within Country Bird is the deficiency in technical and managerial skills due to the non-existence of a training and development plan until 1998 (Country Bird Human Resources Plan F2000: 19 May 1999:4). In order to bring change and to improve human qualities it was necessary to determine training needs in line with the strategic objectives of the company.

The trend towards employment involvement has meant a total new re-definition of employer-employee relationships within Country Bird as employees become involved in problem-solving. For many organisations it meant a fundamental change in culture and includes a departure from the paternalistic and bureaucratic philosophy that once prevailed (Pun, et al., 2001:95) Structure normally follows strategy, and in the ideal world the strategy must first be created, and then the correct structures should be defined and put in place to affect the strategy (Meyer, 2000:53).

Employee involvement can change the structure and management systems of an organisation to be more participative by involving employees in problem-solving and decision-making. The flat hierarchy is the first step many companies take to create an organisation that is more responsive to the way people work today (Meyer, 2000:207).

4.1.2.3 Job Descriptions

The limited availability of job descriptions and job profiles within Country Bird had a negative effect on the productivity of the company (ABM, 1999:2). In the absence of job descriptions employees were never officially informed about their key performance areas and key performance indicators, and this hindered job performance.

Job descriptions and job profiles were limited and available on request only. The available job descriptions were not job specific and were not based on the operating factors needed for each position. This tends to lead to uncertain performance parameters, and the actual performance of employees could not be measured and acted upon. Employees also perceived management not to acknowledge good performance, but only to focus on performance when problems occurred. Furthermore, staff on shop-floor level seldom or never received any result indicators of their performance.

Job descriptions and performance profiles are excellent tools to assist in the creation and drawing up of a logical and realistic operational framework that could develop expertise and improve key result areas and indicators. A job description is a written statement of what the incumbent does, how it is done, and why it is done (Robbins, 1991: 532).

A typical job description will contain the following information (Gerber et al., 1998:79): “Job identification, task summary, relationships, responsibilities, work standards and work environment”.

Due to the limited number of and outdated job descriptions, all complexes were instructed to ensure the availability of job descriptions based on key result areas and key result indicators. Job description and job specifications are important documents to identify characteristics of the job, and to identify characteristics of the successful job respectively (Robbins, 1991:532). According to Flippo (1984:137) job design and job analysis are the basic processes that provide information leading to the establishment of personnel standards regarding quality.

The immediate result of the process is the creation of a job description and job specification, as these documents have a multiple use in a well-planned organisation. Furthermore, it should accurately portray job content, environment and conditions of employment. Flippo (1984:114) agrees stating that: “A job description is an organised, factual statement of the duties and responsibilities of a specific job”. It is important to note that job specification states the minimum acceptable human qualification that an employee must possess to perform a given job successfully.

It was the duty of the Human Resources Department to make sure that job descriptions, in the correct format, were in place for all positions, signed by and placed in the incumbent’s personal record files.

4.1.2.4 Communication

Internal communication is seen as a major concern throughout the company. The perception exists that senior management take decisions without informing key teams/individuals that need to execute those decisions, or those whose performance or work methods will be affected thereby (ABM, 1999:2). The most important of the activities and behaviours that a leader engages in is communication (Frost, 2001:28). Without communication it is impossible for a leader to convey his/her vision of the future, and how he/she envisages taking the team to the future.

An internal communication system within Country Bird was non-existent, and no information was communicated to employees on shop-floor level. The method of communication within Country Bird took on an ad hoc form from top to bottom via employee communiqués. The communiqués were placed on notice-boards, and the contents were never briefed officially. The method of communication created a lot of animosity due to misunderstanding, illiteracy, mistrust and wrong perceptions amongst employees.

According to Geddie (1994:12) the five most common barriers for effective communication are the following: "(i) Failure to recognise that communication must be integral to strategic planning, because lip service is not good communication; (ii) Failure to communicate hard issues candidly, thus eroding commitment, credibility and empowerment; (iii)

Failure to trust employees and management; (iv) Failure to kill the belief that power comes from hoarding information; (v) Failure to recognise that communication is more than “what the company publication does”.

Hickey (1998:62) agrees that information sharing is vital to trust, and if employees lack data about costs, profits, losses, etc., they cannot understand fully how they can contribute ideas for change and improvement. Misunderstandings normally lead to confusion, mistakes, wastages and accidents, raise barriers between people and could cause more difficulties for supervisors than almost anything else (Rabey, 1994:86).

Employees without information cannot act, and the first secret to empowerment is sharing information (Blanchard, 1996:2). In the past Country Bird managers and supervisors were reluctant to share information, and it is true that people cannot contribute to something they know little about. In such cases participation will only be marginal. Conceptual leaders must be aware of this shift in sharing of information. When managers discuss, share or forward any business information to employees, the need for trust is as important as communicating effectively. Behaviourally inclined managers and leaders would add value derived from knowing subordinate attitudes and feelings towards the job, the organisation and management. By not involving employees in decisions and avoiding asking them what they think, corporate directives may fail or fall short of expectations (Van Warner, 1995:21).

According to ABM (1999:3) there seems to be a silo effect throughout the company, and this leads to limited co-operation, limited communication and no team cohesion.

Uncertainty regarding key result areas and key performance indicators of different departments influenced the effectiveness of information flow and co-operation. There also seems to be a very loose team structure, and the team does not operate as a unified and motivated one throughout the company.

4.1.2.5 Employee Involvement in Problem-solving and Decision-making

Employee involvement at all different levels in Country Bird was very limited, as well as their involvement in problem-solving and decision-making, mainly due to the non-equipment of problem-solving skills and participative decision-making skills. Higher productivity and efficiency could be achieved by empowering the right people to work. This is a result of the perceived loose structure and the lack of participative management, as well as the existing silo effect that stiffens good corporate governance (ABM, 1999:3).

Most managers and supervisors in Country Bird fear that they will lose control when involving employees in problem-solving and decision-making

issues, due to the fact that such employees are not familiar with or trained how to implement and facilitate such a process. Managers would rather convert to unilateral decision-making and expect employees to accept and follow their decisions. In this case many conventional managers would see employee involvement as the giving away of control (Pun et al., 2001:96). Managers are fearful of change, as it may break down hierarchical structures, empower employees and disperse control. Participation and empowerment are considered as a threat to traditional management roles as well as to their job security (Pojidaeff, 1995). ✓

Conservative managers and supervisors would normally choose between a safe and easy position of direct authoritative leadership and the far more risky, but infinitely more effective principle of employee involvement in the decision-making process (Corsentino and Bue, 1993:11). Blanchard (1996:2) indicated that empowerment is not giving people power, but allowing them to use their power. As in the case of Country Bird, an authoritarian approach to problem-solving normally results in managers slipping into a condescending or vertical communication pattern. In such cases employees normally perceive a motive of manipulation and resistance to change.

The non-conformance to involve employees in problem-solving issues leads to other human-related problems that have a negative effect on work performance in Country Bird. Some of the most critical problems that contribute to low morale and stress stem from a lack of employee

involvement in the decision-making process (Corsentino et al., 1993:10). With the realisation that work groups accomplish more when they operate as teams that take responsibility for their own performance, it follows that they should be more involved in problem-solving and decision-making (Rabey, 1994:134). Participative management is based on a philosophy, which demands that input and accountability are extended to the lowest level appropriate to the decision being made (Holland, 1995:58). ✓

Organisations do recognise the need for participative management, but are reluctant and afraid to implement the core principles and to provide a truly participative working environment, as: “.... the process is still being managed and controlled at the top” (Pojidaeff, 1995:47). It does not mean that employees must participate in all types of decision-making in the organisation, or that management should be abolished. Employees should be trained and prepared to make decisions and to suggest improvements that directly affect their work, a combination of responsibility and accountability. A fundamental aspect of employee participation and employee involvement is acquiring a basic understanding of the on-the-job needs of employees, as business will not be able to generate the personal commitment of employees that is necessary to meet the goals of the organisation.

The first of the four basic on-the-job needs, according to Rusak (1990:146), is security. Employees need to have an overall sense of wellbeing and comfort within the company, including issues such as health

and safety. The second on-the-job need is improvement. Employees must be able to enhance their situation through hard work and commitment. The third factor is recognition, both as an employee and an individual, and, finally, participation as a sense of being part of the process.

It is evident that when individuals become involved in problem-solving processes, they become more sincerely committed to generating solutions, and the result is a release of an enormous amount of energy, creativity and loyalty. Continuous improvement and involvement has to form the basis of any such endeavour. Involvement, in this sense, means full and total participation and is the only way to success, either individually or as teams (Goodnight, 1995:98). According to Morgan (1997:36), De Bono said that management must make it clear that creative thinking is expected from all employees, and in so doing management will reduce the risk of creative thinking or new ideas for individuals. When a problem emerges, employer and employee should be encouraged to produce a recommendation for resolving it due to the huge amount of talent available in the workgroup (Rabey, 1994:135). This means the manager or supervisor is allowing and enabling employees to participate in decision-making, but the manager or supervisor will still be held responsible and accountable, and therefore decisions must still be the best possible.

The foundation of participation is planning, joint decision-making and definition of objective through employee involvement, as it emphasises individual participation in planning (Holland, 1995:59). The manager or

supervisor is responsible for the employee or team's training and development, assuring the necessary capability of making decisions during participative management. Employee participation and involvement is more crucial now than ever before, and could only happen due to a holistic and synergistic approach of quality and commitment. An effectiveness decision factor could be determined by weighing up the mentioned dimensions and multiplying them as follows (Corsentino et al., 1993:10):

"A supervisor makes a quality decision – a perfect 10 on a 10-point scale. However, for various reasons, employee commitment to the decision is low - a 2 on a 10-point scale. As a result, a relatively ineffective decision is established ($10 \times 2 =$ a fairly low effectiveness factor of 20). Consider that in the same matter, the supervisor involves employees in the decision-making process. The quality of the decision is compromised somewhat (dropping from 10 points to 7), but the commitment to it increases substantially (from 2 points to 8). In this case, the effectiveness factor (8×7) is a much more acceptable 56 points. This means that the decision may not be as good, but it is almost three times as effective."

Lawler III (1999:18) supports the above statement that moving decision-making power down in organisations is at the core of what employee involvement is all about. In creating a culture of sustainable excellence, management and employees are kept informed about key issues and problems. None of these efforts will succeed without the communications

efforts that are so vital to participative management. Rusak (1990: 148) supports the importance of the communication process, stating that: "Management must listen and explain its vision to all its employees, tapping their individual and collective genius to find practical solutions and novel ways of dealing with current challenges". Such organisations provide adequate channels of forum for two-way communication top-down and bottom-up about employees' ideas and opinions (Hickey, 1998:60).

Through employee involvement in problem-solving and joint decision-making, Country Bird would succeed "to make ordinary people achieve extraordinary things, but in reality most organisations allow even extraordinary people to achieve only ordinary things" (Huysamen, 1997: 33). As participative management spreads through the organisation and is successfully executed, the following benefits may be expected (Holland, 1995:62):

- (i) "Personal and professional growth through participation. Decision makers and leaders are brought together throughout the organisation to learn new skills and improve organisational processes;
- (ii) Continuous improvement of product and service production processes and the quality of end-use outputs will generate long-term profits and competitiveness;

(iii) The cycles of selecting new objectives and achieving beneficial results by the various organisational units help to create a total quality culture;

(iv) Continuous improvement in the organisational climate results from more efficient and open multi-functional communication channels”.

It is important that management of organisations provide leadership through an articulated statement of the company’s vision, mission, goals and strategic objectives. Leadership with the appropriate human capital development and increase in productivity will enable the organisation to meet global competition.

According to Goodnight (1995:98), participative management is not dead, participative management are reality, it just became an action rather than a dormant noun, a belief and not a programme, an avenue to success rather than a dead end.

4.1.2.6 Succession and Career Planning

After thorough investigations and informal discussions with the different Complex Managers within Country Bird, it became clear that there is an alarming shortage of technical and managerial skills within the company. Prior to the year 1998 training and development took place within a

vacuum, without due cognisance of any strategic planning within Country Bird (Country Bird Human Resources F2000, 19 May 1999:3).

ABM Consultants (1999:4) maintained in their audit report that employees are unsure of their future expectations and their own career development, and perceive their job future within Country Bird as bleak and insecure. It is difficult to overestimate the importance of career planning in the strategic vision of the organisation. It is true that career path and succession planning should be viewed in a dynamic ongoing perspective that will educate, bring along positive change, and finally total empowerment (Country Bird Human Resources Plan F2000, 19 May 1999: 6).

Career management is of concern for every organisation, and human resources may be developed to meet the constantly changing environment of globalisation. Career developing is a means by which an organisation can sustain or increase its employees' current profitability, and at the same time prepare them for a changing world (Robbins, 1991:538). This implies amongst other things that specific training programmes/courses should not be offered in isolation, but cognisance should be taken of both previous training courses and envisaged future training (Country Bird Human Resources Plan F2000, 19 May 1999: 6).

It also happened that in the case of normal junior, middle and senior management labour turnover, Country Bird had to convert to the services

of outside recruitment services to either recruit or head-hunt specific candidates for specific positions due to the absence of a career and succession planning system.

Career planning is an individual's lifelong process of establishing personal career objectives and acting in a manner to bring them about (Rothwell and Kanzas, 1994:252). Meyer (1999: 344) agrees with Rothwell, stating that: "Career development helps individuals to realise their career objectives and includes individual career planning processes and organisational interventions focused on facilitating the achievement of career plans". Career planning is to strike a balance between individual learning and development, and for the company to get a reasonable return on investment.

According to Rothwell et al. (1994:252) focus would be to develop all key positions and to set up a skills and knowledge requirement plan for present incumbents. Should no suitable candidates be available, sourcing has to commence, either internally or externally. Career management must be a continuous process and is one way to ensure that employees are being offered opportunities to develop themselves.

Through ongoing career development and career management Country Bird is busy creating a pool of internal talent for managers to choose from for promotions, transfers and strategic changes.

4.1.2.7 Management or Leadership?

In the face of the current difficult economic environment it is the desire of every organisation, and a concern of every individual, to perform better to meet the expected organisational objectives. However, for any organisation to be successful in achieving its objectives, important elements include the achievement of productivity through good leadership, and effective management of people, together with their commitment to and involvement with the organisation (Lwehabura and Matovelo, 2000:263).

The current management style in the company differs widely from the previous management style (ABM, 1999:4). Previously, the management style was based purely on traditional, positional, autocratic principles. It is strange that most companies still consider front-line workers as mindless drones, a disposable resource, which makes team building almost impossible to achieve.

According to employees in Country Bird, the new management style is not always regarded as effective. The employees did not feel comfortable with the new management style, as they have not yet bought into the expected change management process. Robbins (1991:355) stated that Zalesnik argues that leaders and managers are very different kinds of people, as they differ in their way of motivation, personal history, and how they think and act (Refer to Table 4.2):

Leaders and Managers Are Different

<u>Managers</u>	<u>Leaders</u>
<ul style="list-style-type: none"> • Managers tend to adopt impersonal, if not passive, attitudes towards goals. • Managers tend to view work as an enabling process involving some combination of people and ideas interacting to establish strategies and make decisions. • Managers prefer to work with people; they avoid solitary activity because it makes them anxious. They relate to people according to the role they play in a sequence of events or in a decision-making process. • Managers need order in the face of potential chaos that many fear in human relationships. 	<ul style="list-style-type: none"> • Leaders adopt a personal and active attitude towards goals. • Leaders work from high-risk positions, are indeed often temperamentally disposed to seek out risk and danger, especially where opportunity and reward appear high. • Leaders, who are concerned with ideas, relate more intuitive and empathetic ways. • Leaders tend to be people who feel separate from their environment, including other people. They may work in organisations, but they never belong to them. Their sense of who they are does not depend on memberships, work roles, or other social indicators of identity.

Table 4.2 Leaders and Managers are Different (Robbins, 1991:355).

Due to the traditional paternalistic management style of the previous Country Bird Management, it is evident that the majority of junior, middle and senior management has been caught up in the traditional top-down management style, and do not understand the difference between management and leadership.

According to Kotter, the following elements reflect the difference between management and leadership (OIM, Leadership Philosophy, 2000:14):

Management versus Leadership

<u>Management</u>	<u>Leadership</u>
<ul style="list-style-type: none"> • Planning and Budgeting Establishing detailed steps and timetables for achieving needed results, and thereafter allocating the resources necessary to make it happen. • Organising and Staffing Establishing some structure for accomplishing plan requirements, staffing that structure with individuals, delegating responsibility and authority for carrying out the plan, providing policies and procedures to help guide people, and creating methods or systems to monitor implementation. • Controlling and Problem-solving Monitoring results, identifying deviations from plan, then planning and organising to solve these problems. 	<ul style="list-style-type: none"> • Establishing Direction Developing a vision of the future – often the distant future - and strategies for producing the changes needed to achieve that vision. • Aligning People Communicating direction in words and deeds to all those whose co-operation may be needed so as to influence the creation of teams and coalitions that understand the vision and strategies and that accept their validity. • Motivating and Inspiring Energising people to overcome major political, bureaucratic and resource barriers to change by satisfying basic, but often unfulfilled, human needs.

Table 4.3 OIM, Leadership Philosophy (2000:14).

One of the key elements to any successful organisation is the people in positions of leadership. Leadership skills are important, as it is vital in an organisation to ensure that people's values are fully reflected in the resulting business plans (Allen, 2002:16). Riches (1997:24) define leadership as: "The art of mobilising others to want to struggle for shared aspiration", whereas Robbins (1991:354) agrees defining leadership as the

ability to influence a group towards the achievement of goals. Leadership is about creating such an environment within the organisation that all employees are able to maximise their full potential in meeting business objectives (Allen, 1995:4).

Most effective executives use a collection of distinct leadership styles – each in the right measure, at just the right time. Due to the autocratic leadership style that was evident in Country Bird prior to the year 1998, flexible leadership was part of their framework of reference. Such flexibility is tough to put into action, but it pays off in performance and it could only be put in practice with the necessary paradigm shift and leadership training. And yet better, it can be learned (Goleman, 2000:78). There are six styles of leadership, but only four of the six have a positive effect on climate and results, namely:

The Six Leadership Styles at a Glance

	<u>Authoritative</u>	<u>Affiliative</u>
Leader's modus operandi	Mobilises people towards a vision	Creates harmony and builds emotional bonds
Style in a phrase	"Come with me"	"People come first"
Underlying emotional intelligence competencies	Self-confidence, empathy, change catalyst	Empathy, building relationships, communication
When style works the best	When changes require a new vision, or when a clear direction is needed	To heal rifts in a team or to motivate people during stressful circumstances

Overall impact on climate	Most : Central University of Technology, Free State	Positive
	<u>Democratic</u>	<u>Coaching</u>
Leader's modus operandi	Forges consensus through participation	Develops people for the future
Style in a phrase	"What do you think?"	"Try this"
Underlying emotional intelligence competencies	Collaboration, team, leadership, communication	Developing others, empathy, self-awareness
When style works the best	To build buy-in or consensus, or to get input from valuable employees	To help an employee improve performance or develop long-term strengths
Overall impact on climate	Positive	Positive

	<u>Coercive</u>	<u>Pacesetting</u>
Leader's modus operandi	Demands immediate compliance	Sets high standards for performance
Style in a phrase	"Do what I tell you"	"Do as I do, now"
Underlying emotional intelligence competencies	Drive to achieve, initiative, self-control	Conscientiousness, drive to achieve, initiative
When style works the best	In a crisis, to kick-start a turnaround, or with problem employees	To get quick results from a highly motivated and competent team
Overall impact on climate	Negative	Negative

Table 4.4 The Six Leadership Styles at a Glance. Goleman (2000:82)

The above-mentioned leadership styles (refer to Table 4.4) have shown a leader exhibit the better. According to Goleman (2000:87), "leaders who have

mastered four or more – especially the authoritative, democratic, affiliative, and coaching styles – have the very best climate and performance. And the most effective leaders switch flexibility among the leadership styles as needed. They are exquisitely sensitive to the impact they are having on others and seamlessly adjust their style to get the best results”.

In the South African context, OIM (Senior Leadership Development Programme, Leadership Style, 2000:12) distinguishes between five leadership or decision-making styles/situations, namely:

- **“A-style leadership / decision-making situation, commonly known as your authoritarian management style:** The leader is dictatorial, making decisions without interaction/consultation with subordinates or followers.
- **B–style leadership / decision-making situation, commonly known as your participative management style:** The leader involves and consults his/her subordinates or followers, but after this interaction/consultation, he/she makes the final decision which, because of the preceding interaction, is likely to be understood by his/her followers, even if some, or many, may not agree”.

After and during the different leadership summits held for Country Bird during the period 25 to 27 January 2000 and 21 to 23 February 2000 at the Protea Hotel, Bloemfontein, all the different managers and stakeholders decided themselves that B-Style leadership would be the

way forward within the organisation, and to embark on a major cultural transformation process change from an authoritarian to a participative management style. It merely means that the appointed leader has the wisdom and confidence to involve his followers on a consultative basis in the task to be done, thereby obtaining commitment and trust.

- **“C-style leadership / decision-making situation, commonly known as your democratic management style:** The leader, after interaction/consultation, normally accepts/endorse the wishes of the majority (at least 50% +1) or, depending on circumstances, the biggest minority, or group of his/her subordinates or followers.
- **D-style leadership / decision-making situation, commonly known as your democratic management style:** The leader, after interaction/consultation, accepts the wishes of a substantial majority (i.e. anywhere between 50 + 1 and 100% depending on the rules in each particular situation) of his/her subordinates or followers.
- **E-style leadership / decision-making situation, commonly known as your laissez-faire style:** The leader, after interaction/consultation with his/her subordinates or followers, only act on the basis of complete (i.e. 100%) consensus.”

The leadership style change in Country Bird came as a tremendous culture shock to employees when it changed from a traditional A-style to a

B-style, as the concept and principles was totally unfamiliar to them. It happened that the majority of the middle management and junior leaders remained convinced that leadership by means of threats and producing fear results in better outputs and more profits. Resistance to change was more than evident up until further management and supervisory training was conducted.

According to OIM (OIM, Leadership Style, 2000:13), B-style leadership/decision-making is ideal for appointed leaders (i.e. in business: managers, supervisors, team leaders, etc.) with the proviso that in a crisis situation where there is no time for consultation, the appointed leader will fall back on an A-style.

Fellow employees and the workforce have seen the Country Bird management team as competent; however, they do not introduce or implement the basic elements of participative management and empowerment. Management is seen to be far removed from work practices, and is not always trusted by employees. It is expected from the current junior and middle managers to embark on a major paradigm shift to become good leaders by receiving the necessary training and development interventions. According to OIM (OIM, Leadership Qualities, 2000:4) the successful modern leader is likely to have the following qualities:

- **Respect and care for his subordinates**

The leader will respect and genuinely care for subordinates, and will only then earn their respect and see them giving their best.

- **Fair, firm and consistent discipline**

To care is not to be weak. A good leader maintains firm discipline in a fair and consistent manner.

- **Set example, involve, motivate and inspire**

The leader will lead by example and involve, motivate and inspire followers, and will measure their success. The leader, on the other hand, will be measured by the results produced.

- **Honesty, integrity and trustworthiness**

The leader will have integrity and trustworthiness, deeds will reflect words, and on this foundation mutual trust and respect will slowly grow and develop.

- **Good listener and fairly patient**

The leader will be a good listener and be capable of giving clear explanations. The leader will be patient but will guard against too much patience, which might become a weakness.

- **Criticism**

The leader will respond constructively to (invited or uninvited, positive or negative) criticism.

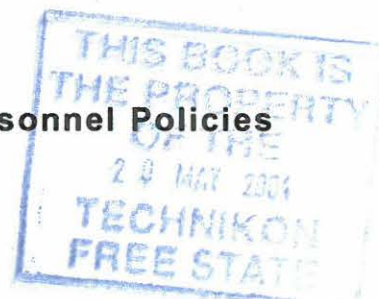
In business, as currently experienced in Country Bird, hardships and business crises can be especially powerful triggers for self-insight and lessons in handling obstacles and loss. Based on their extensive research programme, Lombardo and Eichinger identified twelve important competencies, which are key aspects to success in executive positions (Riches, 1997:25):

- (i) "Dealing with ambiguity
- (ii) Command skills
- (iii) Decision quality
- (iv) Innovation management
- (v) Managerial courage
- (vi) Dealing with paradox
- (vii) Perspective
- (viii) Range of interests
- (ix) Political savvy
- (x) Sizing up people
- (xi) Strategic agility
- (xii) Managing vision and purpose

The result in leadership change was turning a loss of R22 million in the financial year 1999 / 2000 into a profit of R6.5 million in 2000/2001. The following factors contributed to the profit:

- (i) Country Bird's ability and capacity to live its dream (vision) to be "the best chicken people";
- (ii) The ability of Country Bird employees to manage empowerment in the correct manner;
- (iii) The ability of Country Bird's management to honestly communicate the correct information to its employees;
- (iv) The ability of Country Bird's employees to act together in problem-solving issues that influence the business negatively;
- (v) The ability of Country Bird to manage resistance to change on all levels of employment;
- (vi) The ability of Country Bird to remove the so-called "enemies within" by mutual understanding, mutual trust and total acceptance of cultural diversity by all parties;
- (vii) The ability of Country Bird's employees to speedily adapt to and accept the new culture;

4.1.2.9 Industrial Relations and Personnel Policies



The trust relationship between the different races was very sensitive and changed for the worse due to the 12 (twelve) weeks Botshabelo Complex wage strike at the end of 1999.

The relationship between employer and employee deteriorated further by the inability of management to implement cohesive team management, participative management and effective communication. Furthermore, the requirement of employment equity is seen as ineffective, as some key management appointments were not fully accepted by the rest of the company, especially by middle management. On the other hand, certain staff members, especially black staff, do not perceive themselves as part of Country Bird, and also perceive management as unorganised and inconsistent in their handling of business and staff issues.

Other personnel policies, such as policies regarding training and development and performance appraisal have to be broadened to include all employees. Employees felt that policies need to be compiled in conjunction with all the relevant role players, and that such role players should be actively part of the effective implementation.

4.2.2.9 Labour and Discriminatory Personnel Practices

The defined designated groups within Country Bird regarded the existing affirmative action and employment equity policies as ineffective. According

to the audit by ABM (1999:5), some of the key appointments, irrespective of race, gender and colour, are not fully accepted by the rest of the company, especially by junior and middle management. It was also categorically stated that discriminatory employment policies and practices still exist.

At a Stakeholders' Forum held on 24 May 2000 at the Protea Hotel in Bloemfontein (See Annexure 2) feedback was given regarding a survey that was conducted as determined by the Employment Equity Act, Act 55 of 1998 (Date of Commencement: 01 December 1999). The basis of the questionnaire was to determine whether discrimination exists in current company employment policies or practices, and to support the purpose of the Employment Equity Act. The outcome was as follows (Butterworths, 1998:5): "2. Purpose of the Act: The purpose of this Act is to achieve equity in the workplace by –

- (i) promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination; and
- (ii) implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure their equitable representation in all occupational categories and levels in the workforce."

During the survey 23 (twenty three) practices were monitored, and a total of 158 employees participated. The average score was as follows:

- "Yes", discrimination does exist: 44%
- "No", discrimination does not exist: 43%
- "? ", indefinite: 13%

The following survey scores were calculated per item indicating that discrimination does exist in the following policies and procedures:

Discriminatory Practices in Country Bird

Policies and procedures	%
1. Advertising Positions	57%
2. Terms, Conditions of Employment	46%
3. Work environment and Facilities	52%
4. Training and Development	47%
5. Performance Evaluation	48%
6. Promotions	54%
7. Demotions	50%
8. Discipline	64%

9. Dismissals	64%
10. HIV/AIDS and Prevention Programme	48%
11. Retirement	47%
12. Medical Aid	49%

Figure 4.4 Discriminatory Practices in Country Bird (Minutes of Stakeholders' Forum, 24 May 2000)

During the Stakeholders' Forum of 24 May 2000, an ad hoc committee was established and instructed to investigate the above-mentioned discriminatory practices (See Figure 4.4). A committee submitted a plan of action to remove the discriminatory practices where possible, and to report back to the following meeting. During the Stakeholders' Forum meeting of 12 June 2000, a plan of action was accepted, and it was decided to give feedback regarding progress at every subsequent Stakeholders' Forum meeting regarding discriminatory practices in Country Bird.

4.2 Assertiveness

Due to the limitation of employer/employee involvement in problem-solving and decision-making in Country Bird, employers and employees perceived and confused the traditional autocratic leadership style as a type of aggressiveness and passivity based on instinct and uncontrollable emotions.

It is true that non-assertive people do not always get what they want; often such unhappiness that follows disappointments can contribute to other problems such as anger, depression, substance abuse or family conflict (Editor, 1996:1). Greenburg (1996:19) is in agreement, stating that: "An aggressive person, on the other hand, would get so involved in knocking down the obstacles that the goal would become secondary, if not completely lost sight of". On the contrary, people usually have a much easier time being either aggressive or passive (or sometimes both) than being assertive (Strnad, p. 1).

By being aggressive a person puts his needs and rights above those of others and strives for a win-lose solution. Assertiveness is not aggression, it considers the other person and conveys respect for each other. Through assertiveness a good management/subordinate relationship can be created, as assertiveness is a behaviour that enables a person, irrespective of his/her position in the organisation, to act within the person's own best interest without denying the rights of others. While doing so, a person could confess to errors without loss of self-esteem, and can choose to redress for grievances if a rational view of the entire situation warrants it (Lwehabura et al., 2000:266).

4.2.1 What is Assertiveness?

Assertiveness is based on respect for yourself and respect for other people at the same time. Wills and Daisley (Strnad, p. 1) define assertiveness as

follows: "Assertiveness is a form of behaviour which demonstrates your self-respect and respect for others. This means that assertiveness is concerned with dealing with your own feelings about yourself and other people, as much as with the end result".

The Cambridge International Dictionary of English (1996:72) defines assertiveness as follows: "Assertiveness training teaches people how to communicate confidently and obtain what they want without annoying others."

Assertiveness, according to the above definitions, is a person's ability to express him- or herself and his/her rights without violating the rights of others. Kowalski (1998:19) agrees by stating that: "Assertiveness is a behaviour that respects your rights, and the rights of other people, even when you agree. Keeping this balance in focus is the key to assertive communication". In other words, employees can use assertiveness to give their views and opinions on operational issues, and to stand up for their legitimate rights within their work environment without undermining the power, position, accountability and the responsibility assigned to managers. Assertiveness puts them in a position to strike a balance between passive and aggressive behaviour, and at the same time emphasising their responsibility (Lwehabura et al., 2000:266).

The implementation of InvoComms in Country Bird gave all employees the right to be empowered and to be fully involved in operational problem-

solving issues. The implementation of InvoComms changed the structure of the organisation to be more participative by involving managers and employees in mutual problem-solving and decision-making issues. Employee involvement, or empowerment, through InvoComms could be seen as a drive towards enhanced employee satisfaction, product/service quality and productivity.

4.2.2 Assertiveness, Leadership and Communication

Being assertive, or trying to be assertive, takes courage and endurance, especially in organisations such as Country Bird prior to the year 2000, where accountability and the occurrence of transparency were low. In such types of organisations people who practice assertiveness are sometimes viewed and considered as unpropitious.

Lwehabura, et al. (2000:267) is in agreement, stating that: "This happens not necessarily because their views, ideas and opinions are wrong, but simply because some leaders and managers have a strong desire to protect the status quo and preserve turf. They fear and distrust some individuals who are open-minded, so they tend to prefer being surrounded by people who can always say "yes", and those who cannot present a different idea from theirs".

Assertiveness is an essential part of every effective manager and leader, and they should believe in participative management and joint problem-solving. It makes life easier for others, builds better relationships and makes communications clearer and easy to understand. When participants do not have shared meanings in context, as in intercultural communication, the resulting errors tend to be exaggerated (Editorial, 2000:5)

Assertiveness is appropriately direct, open and honest communication, which is self-enhancing and expressive, as it allows self-confidence and generally gaining the respect of peers, subordinates and friends. It leads to honest relationships, especially in the work environment, and in turn improves a person's decision-making abilities, expresses one's needs and your legitimate rights. Assertiveness, as an effective communication style, does not always guarantee success. When the answer is "no" during a joint problem-solving issue or joint decision-making process, assertiveness leaves both parties feeling they have been listened to and respected.

Assertiveness is therefore a practice that needs to be adopted by everybody in the organisation, irrespective whether it is a manager or a subordinate. The benefits of assertive behaviour include higher self-esteem, reduced anxiety, effective solving of conflicts, enhanced interpersonal relationships and increased work effectiveness. It's a win-win situation for everyone (Kowalski, 1998:21).

4.3 Productivity and Profitability

The challenge for South African organisations is the ability to compete in the international arena in terms of product quality, service, pricing and productivity. South African companies will only achieve the ability to compete internationally if they make a paradigm shift embracing the characteristics of a high performance organisation.

According to Meyer (2000:5) the other critical factors or competitive dimensions are: "The mediocre capacity of management in general to identify and implement competitive strategies; the fragile relationship between labour and management; the productivity output of local organisations, which fall in the lowest 10% when compared with other developing nations".

Taking the above into consideration, it is clear that productivity, transformation and development practices are not utilised effectively in South African organisations and companies. It is also the true in the case of Country Bird, the organisation in question.

4.3.1 Productivity

In business today, decision makers and leaders need to view business resources as a system including people, technology, information, capital

management and working environment. The increasingly tight labour market, worker productivity and worker satisfaction are the key factors to success. Westlund and Lothgren (2001:285) agree, stating that: "Today's economic climate characterised by increasing competition and structural turbulence, will require a higher combined level of productivity and quality than in the past. Thus, there is a renewed focus on productivity".

The frozen chicken market in South Africa is a volume-driven market, very unpredictable and much seasonal due to the fact that it is treated as a commodity in the market. Although chicken is one of the cheapest meat-related products, more chicken will be sold during summer than in winter. During an interview with Mr Tom Marincowitz, Direct Sales Manager of Country Bird, on 25 September 2001, it was confirmed that the cheapest price in the market determines the selling price, irrespective of the producer, and not the brand name of the product, especially in the wholesale market. It is actually true that some wholesalers are very loyal towards a certain brand name and will receive a better price, based on loyalty.

The axiom that "productivity equals profitability" is held to be self-evident (Slater, 2002:14). In the era of profitless prosperity, i.e., robust sales with low profits based on market share, focusing primarily on productivity will not cause one to win that war. It is necessary to constantly measure the organisation's productivity against that of the competitors and against industry standards. If it takes Abattoir A twice as long to complete the

process or function as it takes Abattoir B for the same volume of chicken processed, something is wrong. Processing abattoirs cannot be profitable without being efficient. It is therefore important to note that productivity is a necessary but insufficient condition for profitability (Slater, 2002:14). W. Edward Deming suggested his own example, and stated that (Senge, 1995:32): "Efforts and methods for improvement of quality and productivity in most companies are fragmented, with no overall competent guidance, no integrated system for continual improvement".

Unfortunately, quality is also playing an important role in this process, but productivity may have the unintended consequence of driving poor decisions on plant floor level. Due to the reduction in or elimination of quality, productivity also suffers. When increased and improved productivity fail to produce the desired results, it is because the interaction between productivity and quality is misunderstood. Increased productivity is worth striving for only to the extent that it does not have adverse effects on other sources of economic returns (Westlund et al., 2001:285).

The consequence of diminishing of quality is severe. Claims due to a lack in quality can cost the manufacturer thousands of rand and profits. It is also true that customers do not make purchasing decisions based on productivity. Customers base the product or commodity on perceived value, and quality is intrinsic to that perception. Slater (2002:14) supports the fact that productivity has an impact on profits, but in manufacturing and profitability, quality is king.

4.3.2.1 Impact on Productivity

4.3.2.2 Incentives

When organisations push for strategic implementation, positive motivational rewards, such as incentives, should be incorporated and rewarded. Normally people tend to respond with more enthusiasm and more effort. Nevertheless, how much of which incentives to use or implement depends on how the task of strategy implementation will be in light of all the obstacles to be overcome.

Managers must find ways to boost their workers' productivity and creativity if they are to survive and prosper (Field, 1994:104). Baum (2001:37) supports the mentioned statement by saying: "These goals and objectives can be tied to reduction in overhead expenses, increased production, revenues, net income, etc., which are important to the overall success of the organisation. Bragg (2000:38) also agrees with Baum that: "If you want to change employees' behaviour and motivate them to improve their performance, you must influence their perception and the way in which you reward them for their behaviour and performance".

The use of incentives and rewards is the single most powerful tool management can use to win strong employee commitment to carrying out the strategic plan (Thompson, 1990:255). An incentive plan may be the first

step in solving some or all of these problems (Baum, 2001:37). Important to note is that failure using this tool weakens the entire implementation process.

The important lessons about designing incentive and reward schemes are the following (Thompson, 1990:224): “The incentive pay-off must be a major, not a minor, of the total compensation package. The incentive plan should ideally extend to all managers and all workers. The system must be administered with scrupulous care and fairness. The incentives must be linked tightly to achieving only performance targets spelled out in the strategic plan. The performance targets, which each individual is expected to achieve, should involve outcomes that the individual has personal ability to affect”.

Aside from the general guidelines, it is hard to prescribe what kind of incentives and rewards needs to be developed. The payoff must be directly attached to performance measures that indicate the strategy is working and that the implementation process is on track. When the organisation is a low-cost producer, the incentive needs to be linked to reward performance that lowers cost; to reward superior quality and service; and, to reward such targets as zero defects.

Country Bird implemented an incentive scheme in 1999 for certain levels of senior management only. The criteria for the incentive were based on timing, targets, costs, volumes and yields delivered (Country Bird (Pty) Ltd.,

Incentive Scheme F2001). Eligible employees who qualified for the incentive scheme were senior managers, middle managers and certain junior managers. As decision makers they were targeted to be incentivised for better performance, as monetary rewards are important and still stay the best short-term motivator. Unfortunately, over time, feelings of entitlement take over and money loses its effectiveness as motivator.

Management decided that payments would only be made if the following criteria were met (Country Bird (Pty) Ltd., Incentive Scheme F2001):

- (i) No incentive can be earned if the company is in a loss situation.
- (ii) If the company is profitable but does not achieve its budget, only 50% of earned incentives will be paid.
- (iii) The profit calculation referred to above is done cumulatively every quarter on year-to-date profitability.

It is important to note that the targets have the goal of focusing on the short term (quarterly) but not losing sight of annual results. An amount of R178 079 was paid out at the end of the financial year 2001 on profit only. During the financial year 2002 the new Managing Director, Mr John Richards, who was appointed in November 2001, cancelled all incentive

schemes at the end of May 2002. His defence was the then fast deteriorating financial position of the company.

Incentives were introduced to shop-floor level in May 2001 and were based on the following criteria (Country Bird / CUSA Wage Agreement 2001/2002):

“ 2. THE PARTIES agree to implement an incentive of R 1 200.00 per annum, payable at a monthly rate of R100.00 per month, based on the following criteria:

Production:

<i>Breeding: Henday % for week over 59%</i>	<i>= R 50.00 per month</i>
<i>Henday % for week 58% - 59%</i>	<i>= R 25.00 per month</i>

<i>Hatcheries: Hatchability = and > than 82%</i>	<i>= R 50.00 per month</i>
<i>Hatchability between 81% - 82%</i>	<i>= R 25.00 per month</i>

<i>Broiler Farm: Mortalities less than 5%</i>	<i>= R 50.00 per month</i>
<i>Mortalities < than 5.1% - 5.5%</i>	<i>= R 25.00 per month</i>

<i>FCR = and better than 1.82</i>	<i>= R 50.00 per month</i>
<i>FCR between 1.83 and 1.85</i>	<i>= R 25.00 per month</i>

Processing:

Botshabelo Abattoir:

Yield more than 81.4% = R 50.00 per month

Yield between 81.1% - 81.4% = R 25.00 per month

Volumes: to be communicated = R 50.00 per month"

The incentive scheme enables shop-floor employees to earn R 100.00 per month extra based on the set criteria. An average payment of R 50.00 per shop-floor employee was obtained during the financial year 2001/2002. The workers first accepted the introduction of incentives on shop-floor level with some scepticism, even with hostility, because they have never experienced it. The first payment of incentives was positively accepted, as most employees want to do a good job and be rewarded accordingly (Field, 1994:104).

This helped ensure two critical goals: Line managers and employees would support the plan because it is designed and administrated by their peers, and, because measures are set at facility level, they are closely tied to the actual work and how it is being done in that specific facility (Sammer, Aug. 2002:66).

It is critical to ensure that employees are able to see a direct correlation among their work, achieving their goals and their flexible compensation.

Money is important, and if organisations do not pay competitive salaries, staff would become disgruntled. People do their jobs for money, but money spurs people to peak performance for a long period, normally 10 to 12 months.

4.3.2.3 How Incentives Succeeded

Organisations have long relied on incentives to motivate higher levels of employee performance, but few are successfully maintained. To avoid becoming one of these grim statistics, companies should adhere to the following best practices (Sammer, 2002:68): “Involve line managers and employees in the creation of the plan to ensure that they will support it. Set clear goals for the plan. Make sure the plan clearly communicates to employees what they should be doing differently. Ensure that employees can control the metrics that the plan measures. Tie the plan to the company’s business plan or strategy. Make sure that the plan has the right number of metrics with the targets that are neither too easy nor too hard to achieve. Give the plan time to succeed. Change the plan as the business changes. Build employee trust in the plan with compensation that is clearly linked to goals and their achievement. Provide up-to-date information that allows employees to see how well they are performing against their goals and to make adjustments to improve performance.”

Honest, sincere appreciation should be the principle of an incentive or reward programme. It is important to reward people for the behaviour you want them to repeat, and it is important to treat formal reward programmes as short-term, as most programmes lose their effectiveness very quickly. Managers have to design such programmes with end-dates, as it creates the opportunity to renew the programme or get stuck with a programme that does not work (Bragg, 2000:39).

4.4 Summary

Effective management is a fundamental value for a successful and productive organisation. To be successful, the management style, and/or leadership style, should be conducive to allow the achievement of the organisation's mission and vision. The management style, and/or leadership style, should be participative, yet take account of the type of culture, type of behaviour and the work orientation of the people working in the particular organisation.

The implementation of the incentive scheme, cost control, employee information through InvoComms, employee involvement and employee empowerment in problem-solving and certain decision-making processes, played a very positive role in the overall financial position of the company for the financial year ended April 2001. A loss of R22 million for 2000 was turned into a profit of R6.5 million, a turn around of nearly R29 million.

It is important to note that without co-operation between manager and subordinates, the process and efforts to bring productivity will prove failure. Managers and supervisors, through delegation and empowerment, should allow and accommodate their subordinates in the management process.

To achieve success, both manager and subordinate should use assertive behaviour as a positive tool for creating mutual understanding and fulfilling their objectives.

CHAPTER 5

IMPLEMENTING EFFECTIVE COMMUNICATION

The focus of this chapter is on the importance of communication in the workplace, and the introduction and implementation of effective communication in the workplace.

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CHAPTER 5

5.1 Introduction

Leadership is the key factor to successful business. Considering the diversity of the South African workforce, it has a special kind of leadership, based on understanding in all circumstances, deepening understanding, changing mind-sets, improving performance and achieving success. It is therefore necessary to engage in conventional business communication without cultural prejudice (Morrison and Morrison, 1991:140).

To be successful in today's increasingly complex and competitive world, leadership has to be based on a sound, realistic and holistic understanding of all factors that are relevant to a particular situation or process (OIM Group, 2002). The changing world of today offers leaders a new set of challenges for assisting employees to assume a role as citizens of their own community, organisation, and nation, but also as citizens of the world. Understanding-based leadership is based on a sound, realistic and holistic understanding of people and their cultures, basics of business economics, alternative political-economic systems, criteria for survival and growth, socio-economic realities and the art to communicate, understand and explain correctly. Arenofsky (1998:24) supports the above by stating that: "You'll need to understand and respect their cultural traditions and customs in order to work effectively with them".

For operational success, a total mind-set change must precede operational change. According to the OIM Group (2002), "it implies that mind-set change must precede behavioural change. But changing a mind-set requires a willingness to be flexible and open-minded in order to benefit from lessons learnt and/or to successfully deal with new situations that may arise. Another reason why a change in mind-set is often essential is that it was, after all, the precious mind-set that created the situation that now requires to be changed".

It is therefore necessary to imply a total paradigm shift of individual and collective mind-sets, as it is often a precondition for success, but it is also often the most difficult part of any process of change.

5.2 Training Methodology

The training methodology and intervention followed by Country Bird was based-understanding leadership.

Training and Development workshops were designed to develop a holistic and innovative way of thinking, holistic understanding and goal orientated action. This range of workshops were all conducted and facilitated by an

OIM Consultant. The workshop exponents were all Country Bird stakeholders and represented a “vertical cross-cut”, “horizontal” or “ad-hoc” composition of employees. The representation of stakeholders played a pivotal and important role in INVOCOM (**INV**olvement, **IN**novation, **COM**munication and **COM**mitment) Education and Training Methodology (OIM Group, 2002).

The objective of the training was to promote productive co-operation and harmony, even among people with widely different or even clashing cultural, educational, social, political and religious backgrounds. Dodd (1987), according to Morrison et al. (1991:141), defines intercultural communication as follows: “Intercultural communication is the process of message interaction between two or more people in which a communication climate characterised by cultural differences influences the outcome of the interaction”. The overall goal of communication stays the same as to convey a message to someone else to achieve a specific objective.

The approach followed was based on original thinking, fundamental practical leadership and business principles. The aim was to make Country Bird stronger, more focused and resilient, and better equipped to deal effectively with changing requirements and national competition.

5.3 Based-Understanding Leadership and Communication Training

5.3.1 Strategic Planning Session

A Country Bird strategic planning session took place on 14 – 16 October 1999 at Bain's Game Lodge in Bloemfontein and was attended by the following people (refer to Table 5.1):

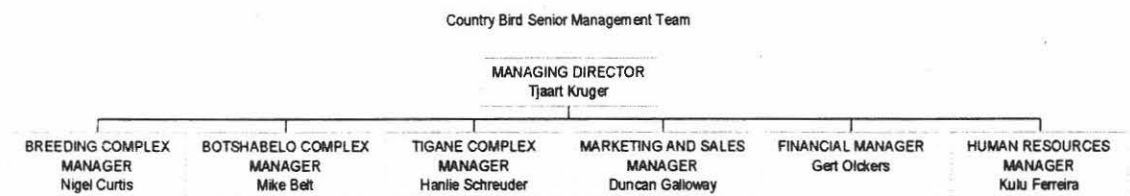


Table 5.1 Country Bird Senior Management Team

The objective of the Strategic Planning Session was to determine the “way forward” for Country Bird by means of a **Strength, Weakness, Opportunity and Threat (SWOT)**-analysis. A SWOT-analysis needs to be treated in depth and with rigour to become the key intellectual analytical tool through which ideas, alternative scenarios and risks are debated before plans are developed (Garratt, 1995:4).

Using the acronym PPESTT (**P**olitical, **P**hysical, **E**conomic, **S**ocial, **T**echnological and **T**rade) usually helps to create the framework in which the SWOT-analysis is formed.

Country Bird's Senior Management determined the following strengths and weaknesses of the business during the Strategic Planning Session:

SWOT-ANALYSIS

<u>Analysis</u>	<u>Strengths and Weaknesses</u>
Strengths:	<ul style="list-style-type: none"> - New Senior Management Style and Industry Position - Contract Grower Philosophy - Location - Bio-security Philosophy - Strategic Relationship with Suppliers
Weaknesses:	<ul style="list-style-type: none"> - Technical Skills - Internally - Contract Growers
Culture:	<ul style="list-style-type: none"> - Internally
Unit Cost:	<ul style="list-style-type: none"> - Feed Cost - Biological performance - Processing Cost
Communication:	<ul style="list-style-type: none"> - Ineffective Internal Communication
Market Intellect:	<ul style="list-style-type: none"> - No domination

Table 5.2 (Memo Tjaart Minnaar: Dokumentasie: Strategiese Sessie, 20 October 1999)

The formulation of the strategic plan by the new management team was based on the following basis of five interrelated components (Thompson, 1990:4), namely:

“ (i) Developing a concept of the business and forming a vision where the organisation needs to be headed; (ii) Translating the mission into specific long-range and short-range performance objectives; (iii) Crafting a strategy to achieve the targeted performance; (iv) Implementing and executing the chosen strategy efficiently and effectively; (v) Evaluating the performance, reviewing the situation, and initiating corrective adjustments in mission, objectives, strategy or implementation in light of actual experience, changing conditions, new ideas, and new opportunities”.

5.3.2 The New Strategic Vision of the Company

The new strategic vision of the company is to become “The Best Chicken People” (Annexure 3) by dominating the South African broiler meat industry through:

- “(i) Maintaining size and return on investment priority;
- (ii) Being leaders in marketing innovation and low cost; and
- (iii) Being a place where people want to work” (Strategic Thinking and Planning Session Notes, 1999).

Most important were the Core Competencies of the Company:

- “ (i) Our core competencies are the foundation to our business. We therefore protect, foster and develop them with a passion;
- (ii) Long-term low-cost leadership: We strive to produce and deliver to our customers the required quality chicken at the lowest cost by continuously improving our husbandry, processing and distribution skills;
- (iii) Channel domination: We will develop the ability to continuously fragment the market into new channels of distribution, which we then dominate. It is logical that we will be the leaders in market research, competitor analysis and rendering and information analysis;
- (iv) Best people practices: We are who we are“ (Strategic Thinking and Planning Session Notes, 1999).

For Country Bird to obtain their strategic goals they need to develop the best people by:

- “(i) Continuously developing and fostering a culture of involvement, communication and commitment;
- (ii) Identifying required skills and developing people to possess those skills;
- (iii) Developing a succession plan that will ensure that leaders are available at all times;

- (iv) Always developing people and promoting from within the organisation;
- (v) Developing a competency-based employment practice in order to attract the best people.
- (vi) Accepting and promoting the principles of the Employment Equity Bill” (Strategic Thinking and Planning Session Notes, 1999).

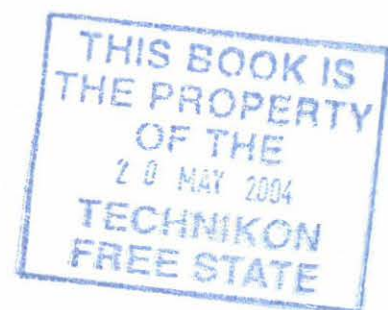
It is very important to read the following core values in conjunction with the core competencies to really understand the paradigm shift that took place within Country Bird:

- “ (i) We will develop a culture of honesty and integrity amongst all our stakeholders and all our people;
- (ii) This will be a company where people enjoy working. A culture of learning, developing and commitment will exist. To achieve this, we will develop participative leadership methods, which will enable people to grow with the company. The company will reward performance;
- (iii) We will be committed to our country and passionate about supporting our government efforts to develop communities and build the nation;
- (iii) Diversity will be our strength and prejudice our enemy (Strategic Thinking and Planning Session Notes, 1999).

The diverse nature of the Country Bird workforce created animosity and unnecessary tension between employer and employees. Sutton (2000:58) agrees that racial, ethnic and cultural disparities exist in all aspects of society, especially in the working environment. To eliminate discriminatory practices in the workplace, it is necessary to understand the diverse cultures of employees, their values, traditions, history and institutions.

Cultural diversity is rather a dynamic feature of relationships of how human beings fill the space between themselves and other people. This space can be filled with mutual respect, admiration, playfulness, touching, or it can be filled with disregard, suspicion, anxiety and holding back. It is important to note that it is virtually filled with language and gesture (Tice, 1993:39).

The teaching of business communication seems to fall naturally within the interest of mutual understanding and mutual survival. "The purpose of communication is to send a message that is understood by the recipient; the environment, however, affects how the message is interpreted. Like any area of communication, intercultural communication is concerned with the message, the means of disclosing that message, the perceptions of the sender and receiver, the give-and-take process during communication that involves reciprocity and feedback, and the outcome after interaction between individuals." (Morrison et al., 1991:141)



With the world becoming more economically orientated, the importance of integrated cultural diversity and intercultural communication in the workplace is very important for mutual employer/employee relationships, mutual understanding, participative management and sound decision making.

5.3.3 Key Leadership Summits

Country Bird experienced a mixture of different racial and cultural backgrounds, age groups, economic levels and education. The question could be asked how was it possible to gain respect, trust, understanding, teamwork and the implementation of an effective communication system in such a working environment?

Today, many organisations notice the impact of diversity on business and have gone beyond simply meeting the legal requirements. Diversity awareness can be integrated throughout the organisation in three ways (Lewis, 1996:28):” The Government’s Employment Equity Legislation guidelines, specialised training, and encouraging managers to adhere to certain practices and policies.

Organisations have initiated diversity awareness training. Being open to new ideas and evaluating and even rejecting old ones were not easy to do, taking in consideration the diverse workforce within Country Bird. Through

workshops and seminars, employees learn to value all co-workers' attributes and accept that being different is normal. Multi-national organisations have to provide employees with diversity awareness and sensitivity training to understand diversity. A company such as Country Bird understood the advantage of diversity for business and made use of in-house programmes and a reputable outside training company to conduct the training.

During Country Bird's Strategic Planning Session, October 1999, Senior Management decided that all stakeholders had to buy-in into the new proposed company culture. The learning process and fundamentals would be based on the principles of understanding-based learning. Such diversity training would help to unlock the hidden potential in managers and employees, thus empowering employees at all levels. Without diversity awareness employers and employees lost insight into how others contribute to an organisation's bottom line. Such an intervention should entail total involvement, commitment and participation of all stakeholders.

Albert and Triandes (Morrison et al., 1991:142) indicated that there are primarily three methods for integrating intercultural education: "The first method is experiential. The theoretical basis for this alternative is that a student actually living or interacting with individuals, participate in cultural activities and cultural heritage. A second alternative is the behavioural strategy. In an educational setting, individuals from different cultures interact with one another for the purpose of making comparisons based

upon life expectations. A third alternative is informational in nature. The facilitator would assign readings about other people's customs or history."

The strategy followed by Country Bird incorporated an intercultural dimension into training and development courses in business communication. It entailed aspects of behavioural and informational learning. Morrison et al. (1991:142) support the idea that the strategy for teaching requires students to interpret episodes related to life events based upon cultural norms, mores, and customs. It is important that the organisation embrace diversity awareness through greater vision by seeing situations through different eyes; greater opportunity for employee involvement; and greater productivity as employees learn to work together more effectively (Lewis, 1996:28).

The ever-present prejudice in intercultural communication is frequently noticeable when there is a lack of understanding about idiosyncrasies amongst cultures. The prejudice normally results in a general insensitivity and intolerance towards the position of other persons. Morrison, et al. (1991:143) suggested the creation of opportunities for students to interact with one another, and "invites" discussion of cultural prejudices and their impact on communication strategies in the global economy.

For Senior Management to allow total buy-in into the proposed transformation process, it was decided by Senior Management to allow the total involvement from all types of stakeholders in Country Bird. Due to the

size of the company it was decided to have two leadership summits consisting of 32 stakeholders each.

The two Leadership Summits were held from 24 to 27 January 2000 and from 22 to 25 February 2002 respectively, at the Protea Hotel in Bloemfontein. The following disciplines were represented by a cross-cut of stakeholders, namely (refer to Table 5.3).

During the two Leadership Summits, the following matters were discussed in true openness, honesty, transparency and acceptance during several brainstorming sessions:

- How do you want to see Country Bird?
- Basis of quality of life
- The problems within Country Bird
- Leadership and expected leadership
- Understanding and leadership
- The world outside
- Culture differences
- Economic principles, global competitiveness
- Comparison of white and black history in the South African context
- Linking of politics and economics
- Leadership styles and qualities
- Communication
- Vision

Representation at Leadership Summits

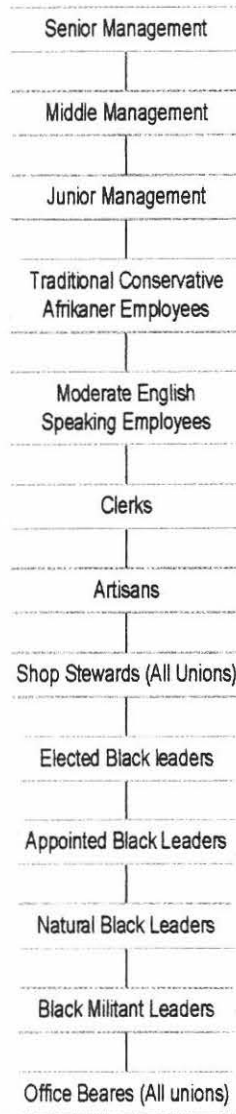


Table 5.3 Representation Levels at Leadership Summits

At the end of each Leadership Summit, the Managing Director shared the new strategic plan of Country Bird with all stakeholders. The proposed vision, core competencies and core values, with reference to Appendix 3, were compared with each group's expectations and perceptions regarding the future of Country Bird. The comparisons between the strategic plan

and the stakeholders' perception were openly discussed and positively accepted. The stakeholders were also informed that "...the concept also encompasses an active management process focusing the organisation's attention on the essence of winning; motivating people by communicating; the value of the target; leaving room for individual and team contributions; sustaining enthusiasm by providing new operational definitions as circumstances change; and using intent consistently to guide resource allocations" (Hamel, 1989:54).

After the first Leadership Summit held on 31 January 2000, the Managing Director informed the total workforce complement regarding the goals and certain resolutions that were accepted by the key leaders of the company (refer to Appendix 4). The Managing Director categorically stated and informed all stakeholders about the aim and the goals reached during the workshop, and stated that it was important for the future of the company to get input from all levels of employees about problems experienced in the business, and to discuss plans to overcome these problems. Also a lot of time was spent to create more understanding for each other's cultures and different views, and better understanding of business and leadership principles. The role of trade unions in Country Bird was also discussed; and how to improve the relationship between management and trade unions, and between the different trade unions.

The following resolutions were taken at the end of the workshop: "Our focus for the future must be to ensure the survival and prosperity of the

company. A Stakeholders' Forum will be established to give input into the further process and to develop and monitor the Company's Employment Equity Plan and Workplace Skills Plan; extensive management and supervisory training will commence with the aim to improve leadership style, skills and qualities and continuously developing and fostering a culture of involvement, communication and commitment; focus will be on developing teamwork and the improvement of the involvement of and communication with all employees. The aim is that every employee in the business must be fully informed and must participate on a daily basis in problem solving in his/her team."

On 31 January 2000 all stakeholders, irrespective of the amount of internal changes needed to put the strategy in place, positively accepted the resolutions and plans of action. The organisation had to empower employees to think strategically, and that means that every employee must be fully aware of what is in it for them when the vision becomes reality (Lambert, 1997:18). The following Training and Development Plan (refer to Figure 5.3) was accepted to put the strategy in place by means of the necessary training intervention by an outside training provider, OIM Group. It was important to shift the paradigm to a culture of stakeholders' involvement, as people, irrespective of race and gender, also tend to make racial judgements in their minds, often without realising it. Discrimination and judgements like these go unchecked, and can hurt the way people interact and do their jobs. These misunderstandings between races are

often so ingrained that discriminatory thoughts and actions seem to occur automatically (Lewis, 1996:31).

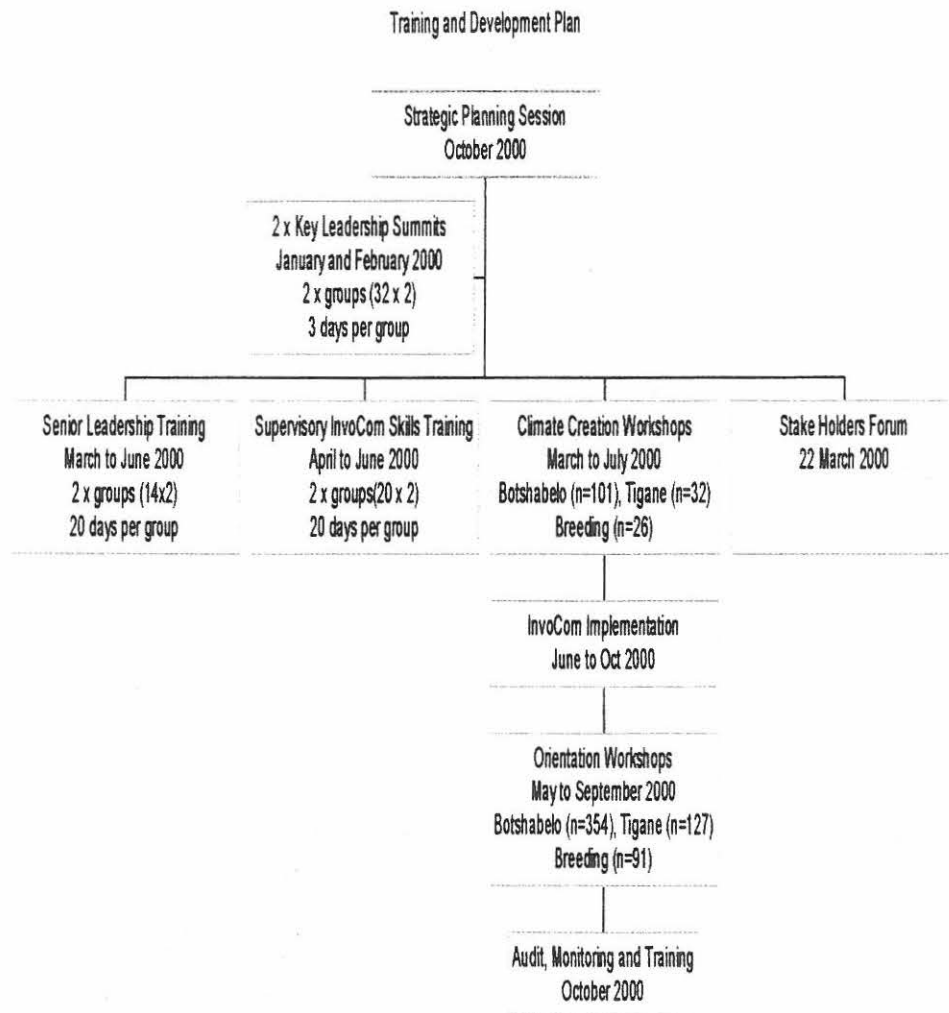


Figure 5.3 Training and Development Plan

The full involvement and support of all stakeholders' shaped the beliefs and assumptions that focus people's attention and channel their efforts (Harrison, 1994:65). Strategic planning is essential, not merely at the top of the organisation, but at every level (Lambert, 1997:18).

5.4 Stakeholders' Forum

A Stakeholders' Forum was established after the second Leadership Summit during February 2000 to give further input into the transformation process and to develop and monitor the Company's Employment Equity Plan and Workplace Skills Plan.

Due to the important role of the Stakeholders' Forum in the transformation process, it is deemed necessary to understand the purpose and the scope of the Forum.

5.4.1 The Purpose and Scope of the Stakeholders' Forum

The purpose and scope of the newly established Stakeholders' Forum, with reference to Annexure 5, was accepted in general by all stakeholders present on 20 April 2000, and determined the purpose and scope of such a forum (The Constitution of the Stakeholders' Forum: p.1):

- (i) "To monitor the organisational development process, including the implementation of InvoComs.
- (ii) To give input in the strategic direction of the Company and to monitor and receive regular feedback regarding progress on the strategy implementation and the financial position of the Company - also in comparison with the industry.

- (iii) To give input in policies that affect people.
- (iv) To give guidance on unresolved people issues from the various departments.
- (v) To act as consultative forum for ad-hoc company-wide processes, projects and issues, e.g. employment equity, training and development, etc.
- (vi) To act as advisory mechanism before final decisions are made by the Managing Director regarding issues that affect people in the company.”

The scope of the Forum will specifically exclude:

- (i) “Substantive negotiations with unions;
- (ii) Operational problem solving; and
- (iii) Disciplinary and Grievance handling” (The Constitution of the Stakeholders’ Forum: p.1) (Appendix 3).

5.4.2 Scope of Stakeholders’ Forum Representation

The total number of representatives of the Stakeholders’ Forum was originally 25 members. Forum members may in their discretion nominate an additional seven members to ensure that the gender and race composition are representative. Therefore the appointed, elected and nominated total will be at the most 32 members.

Stakeholders' representatives were nominated during the two Key Leader Summits that were held from 24 to 27 January 2000 and 22 to 25 February 2002 respectively, at the Protea Hotel in Bloemfontein, to serve during the first term. The first term would be a minimum of six months and a maximum of nine months, after which an election will be called at the discretion of the Forum. Such an election should take place within nine months from 1 April 2000.

The appointed and elected members of the Forum had the following composition (Refer Table 5.4):

COMPOSITION OF STAKEHOLDERS' FORUM

Category	Centre	Botshabelo	Breeding	Tigane	Marketing
Senior Management	2	1	1	1	1
Middle Management	1	2 (1 Farm) (1 Factory)	2 (1 Hatchery)) (1 Farm)	1	1
Junior Management		(1 Farm) (1 Factory) (1 Admin)	2 (1 Hatchery)) (1 Farm)		

Unions	0	3 (1 per Union)	2 (1 per Union)	1	1
Non Elected Leader	0		3	3	2
TOTAL	3	2	10	3	3

Table 5.4 The Composition of the Stakeholders' Forum

The following procedure will be applicable in the process of elections and appointments of Stakeholders representatives (The Constitution of the Stakeholders' Forum, p.1):

- (i) "The Managing Director and the Human Resources Manager will be permanent members of the Stakeholders' Forum.
- (ii) The Senior Management will nominate senior managers from every functional department to represent them at the Forum.
- (iii) The junior and middle managers will elect from their respective constituencies relevant members to represent them. Such elections will take place through secret ballot.
- (iv) The unions will elect their respective members of the Forum in terms of their respective union constitutions, and will inform Management of the names of their elected representatives".

5.4.3 The Role of Stakeholders' Representatives

It is the expected responsibility of all managers in Country Bird to manage their departments within the agreed key performance areas, and to include the maintenance of structured and open communication channels and timeous attention to staff grievances. By means of effective communication managers will get things done through other people, make decisions, allocate resources and direct the activities of others to attain goals (Robbins, 1991:4).

To succeed, managers had to be sensitive to cultural diversity issues in the working environment, such as customary beliefs, social norms and material traits of a racial, religious or social group, as it will have a negative effect on mutual relationships and productivity. It is important to keep communication and information sharing effective by practising it hand-in-hand, especially when changes in established roles, responsibilities and relationships are creating uncertainty (Sunoo and Boles, 1997:16).

It was the duty of the different stakeholders' representatives to elicit input from staff members and give feedback to staff members on policy and procedure formulation in matters affecting them. It was also expected from representatives to positively support and monitor the decisions of the Forum and to monitor the proper implementation of decisions, and to promote the strategic direction and priorities of Country Bird. By doing so rumours based on wrong information are countered.

5.4.4 A Typical Country Bird Stakeholders' Forum Agenda

An agenda is a list of matters to be discussed at a meeting (Cambridge International Dictionary of English, 1996:25). A typical agenda for a Stakeholders' Forum will take place within the following parameters:

1. Welcome and Apologies
2. Review actions from previous meetings
3. Strategic Issues
4. Financial Review
5. Organisational Development and InvoComs
6. Consultation on Policy Development
7. Ad-hoc issues
8. Unresolved departmental issues per department
9. Closure

5.4.5 Training and Development

Prior to the year 1998 the privilege to attend training and development courses was reserved for the benefit of white middle and senior management only (Country Bird Budget Review F98). Training and development of human capital outside the mentioned spectrum were non-

existent due to management culture that existed and the large disparity between the skills levels of whites and previously disadvantaged groups (Meyer, 2000:167).

The necessary improvement of technical and management skills through training and development interventions were totally ignored and the current skills could neither be improved, nor could they adapt to the rapid changes expected by a successful company. Organisations forget that leadership development is indispensable to business success and more important than good products (Allerton, 1998:11) Lack of proper training and development led to low levels of productivity and high production costs.

Inadequate training limited the opportunity of any individual career path planning, development of human capital and lacking of any succession planning. Furthermore, effectiveness is determined largely by the effectiveness of those who work for the company - they must be capable and their training must be planned so that the potential of each person is developed or has the opportunity to be developed. Gerber, et al. (1998:156) stated that the implementation and management of career path planning and development have to be closely monitored to both the advantage of the company and the individual.

Extensive management and supervisory training by OIM commenced on 6 March 2000 and ended on 14 September 2000. The main aim was to

improve leadership style, skills and qualities. An audit was conducted from 10 to 13 October 2000 for further improvement.

Another major problem experienced by Country Bird was the low literacy level of the workforce on shop-floor level. In June 1998 the Adult Basic Education and Training Company (ABETCO) conducted a profile assessment. The final assessment indicated that an alarming 44% of the workforce was totally illiterate, 17% of the tested employees revealed a marginal affinity to constructive reading and writing skills, 36% were grouped into the functionally literate level (normally with unsophisticated speaking and listening skills and characterised by using fragmented “pidgin” English). Only 3% of the employees have displayed relative comfort of the English language (ABETCO Proposal and Profile Results 1998).

After confirmation of these results, Country Bird immediately embarked on several training interventions to improve managerial and leadership skills, technical skills and basic literacy. The process of change management is a learning intervention, which acts as a wake-up call to participants in helping them to understand the culture and organisational requirements of effective change leadership. Organisations must continually increase the skills levels of employees, personal growth and satisfaction derived from their roles in quality performance and business growth (Hickey and Casner-Lotto, 1998:58).

The process of change must reach into the structures of the organisation and even into daily routines. In today's global business environment,

success is increasingly a function of how well multicultural workgroups within an organisation effectively achieve common goals. An Adult Basic Education Training Programme was also urgently launched to enable employees to cope with English, and to enable illiterate employees to use basic mathematics and familiarise themselves with the various life skills as part of best people practises. Adult Basic Education and Training: Project 5 ended at the end of 2002, and the proposed Adult Basic Education and Training Project 6 comprised of the following levels:

Proposed ABET Project 6

Level	Total Learners
Pre-ABET	4 Learners
Level 1 Sotho	4 Learners
Level 1 English	5 Learners
Level 2 English	25 Learners
Level 3 English	43 Learners
Level 4 English	23 Learners

Figure 5.5 ABETCO: Proposed ABET Project 6, 09 October 2002

It is clear that non-conformance to any training and development intervention of human capital is devastating to any business. Rothwell (1994:298) states that when the organisation's corporate grand strategies call for growth in the present business or diversification into utterly new business; training is an appropriate tool for building new skills among people already employed by the organisation.

5.6 Leadership Development

Successful companies are the most successful at managing high employee growth and focusing on recruitment, career development, culture orientation and communication. This is not surprising, but what is significant is the degree to which successful organisations consistently align strategic intent and employee behaviours with those areas (Weber, 1999:87). It is clear that leadership development of staff will equip them to progress in their careers and provide a pool of leadership candidates (Joyner, 2000:29).

An additional reason for providing leadership development is that much or most training is done on the hard technical skills. Many employees are traditionally promoted based on technical skills only. Yet, it is the “soft” leadership skills that help a leader accomplish great results through other people (Joyner, 2000:29). It is important to note that managers’ training emphasises coaching and mentoring (Weber, 1999:88).

Due to the shortage of adequately trained people in Country Bird it is essential that the company does supply the necessary organisational support in employee development opportunities. It is necessary to note the following qualifications survey, up to junior management level, based on operational needs and operating factors (Table 5.6):

QUALIFICATION SURVEY 2000

<u>Position</u>	<u>Total</u>	<u>Qualification (%)</u>	<u>Job Related (%)</u>	<u>Experienced 1yr plus</u>
Sr. Management	6	100%	100%	100%
Breeders	19	21%	16%	100%
Hatcheries	4	25%	25%	100%
Broilers	12	25%	25%	100%
Processing	13	23%	15%	100%
Fin. and Admin.	8	25%	12%	100%
Marketing	8	25%	12%	100%
Human Resources	2	50%	50%	100%

Table 5.6 Qualification Survey, Skills Audit, 30 April 2000

By developing effective leaders, effective management and leadership will surface very strongly. Within this philosophy, employees will be encouraged to act as leaders in the organisation, positioning themselves to become effective managers, thus resulting in career opportunities for these individuals.

It is therefore necessary to look at your existing employees and how they could fit into future leadership needs. Core training in such organisations helps to establish a critical mass of shared skills in the organisation (Weber, 1999:88).

5.7 Leadership Philosophy

Successful organisations continuously seek new challenges to reach and maintain market leadership. Leaders must motivate people from very

different cultural backgrounds, experiences and leadership styles to collaborate effectively across.

Taking in consideration the diverse workforce and the shortage in leadership skills amongst managers and supervisors in Country Bird, it is important to look at the expected principles needed to lead people (OIM, Leadership Philosophy, 2002:13):

- (i) "Vision: Leaders see the whole picture; they articulate that broad picture with others and expect to create a common purpose that mobilises people to co-ordinate their efforts into a single, coherent, agile enterprise. Successful leaders also have clear and simple visions and beliefs and have to support the organisation's mission statement."

Trigg (1997:8) supports OIM's belief that it is important that their visions are based on academic achievements and quality teaching, that a safe working environment is provided for staff, and that their visions should be regularly discussed with staff and employees.

- (ii) "Trust: Without trust any company vision becomes an empty slogan. Trust normally binds people together and creates a strong, resilient organisation. To build trust, leaders share the

correct information and power” (OIM, Leadership Philosophy, 2002:13).

Amgulao (2001:102) is in agreement, stating that: “A leader creates an atmosphere of trust. He can get his people to take action and to trust and follow direction by building respect, confidence and competence. He shows trust in his subordinates. He can rally people behind his cause or ideal and take that trust and use it to accomplish goals and ideas”.

- (iii) “Participation: The energy of an organisation central to the participation and efforts of its people. Weber (1999:92) supports the importance of employee participation in organisational life in maintaining and improving the company’s culture” (OIM, Leadership Philosophy, 2002:13).

Angulao (2001:101) again supports OIM in saying the following: “A leader’s true power doesn’t lie in what he can do; it lies in what he can get others to do”.

- (iv) “Learning: Learning needs a deep understanding of oneself. A leader must know his/her own strengths and shortcomings, which requires a lifelong process of discovery, and must be able to adapt to new circumstances” (OIM, Leadership Philosophy, 2002:13).

Collins (1995:25) supports OIM’s belief that training is a significant factor in the success of high performance teams, as

their training consists not only of quality processes, but also of team dynamics and interpersonal skills, including conflict resolution.

- (v) “Diversity: Successful leaders know the power of diversity and the poison of prejudice. They understand their own biases, and they cultivate an appreciation of the positive aspects of people’s differences. They insist on mutual respect. Diversity represents the mix of characteristics that makes each individual unique” (OIM, Leadership Philosophy, 2002:13).

Lewis (1996:28) supports the following statement of OIM: “Through understanding of cultural diversity a business or an organisation embraces “diversity awareness”, and it creates a work environment where individual differences are valued and used appropriately”.

- (vi) “Creativity: In a world where smart solutions outpace excessive work, creativity is crucial. Leaders pay close attention to people’s talents, leaning on their strengths and managing around their weaknesses” (OIM, Leadership Philosophy, 2002:13).
- (vii) Integrity: A leader must stand for something. Every leader has a morale compass, a sense of right and wrong, and understand that good ethics is good business because values and principles are centre to it” (OIM, Leadership Philosophy, 2002:13).

Woodruff (1995:117) supports the above statement, stating that:
“Integrity is defined as adherence to a code of moral values. The working definition of integrity means honesty in all business dealings, truthfulness with customers, suppliers and employees. It means doing what is right”.

5.8 Qualities of Successful Leaders

Leadership qualities are difficult to define. Numerous definitions define leadership and leadership qualities, but leadership is surely recognised when somebody has or doesn't have it.

Leadership is the art of getting people to do what they're supposed to do (Woodruff, 1995:120). Important to note according to Amgulao (2001:101) is the similar distinction between strategy and tactics: “Strategy is the plan (leadership) and the tactic is how the plan is carried out (management)”.

The United States Army identifies the following qualities it looks for in their leaders – qualities that leaders have to demonstrate (Amgulao, 2001:101):

- (i) Versatility
- (ii) Adaptability to change
- (iii) Professionalism
- (iv) Exemplary ethical conduct
- (v) Technical and tactical proficiency
- (vi) Excellent communication skills

- (vii) The ability to build cohesive teams
- (viii) Analytical problem-solving skills
- (ix) The willingness to seize initiative
- (x) The independence and confidence to operate with minimum guidance
- (xi) The insight and foresight of a visionary

5.9 Employee Involvement and Commitment (Invocom)

There is an obligation to constantly strive for organisational improvement, and in many ways it is a commitment from all employees to leave the organisation in better condition for future members (Savia, 2001:10). It is therefore important that the organisation should resolve to improve internal and interpersonal communication, as communication is one of the most important aspects of management.

Management has to share all relevant business information, including sensitive financial and competitive data. Information is disseminated through daily, weekly, monthly and quarterly meetings of teams down to plant-floor level (Hickey et al., 1998:59). Quality management emphasised the importance of increased communication between managers and employees and among employees across functional lines, and increased the amount of business information available to employees. New channels of communication had to be opened and existing channels broadened to make possible the increased exchange of information from managers to

newly empowered employees, from employees to management, and between different functional departments (Leitch and Burke, 1995: 70).

The agreed communication process and system that has been implemented in Country Bird is called “InvoCom” (refer to p. 129). This emphasis on providing information and involving employees in problem solving gives the areas the means to improve service to their internal customers.

5.9.1 The Goal of InvoCom

The goal of InvoCom is to share information and to improve internal operational performance through effective problem solving based on employee involvement and commitment. It also creates a forum for teaching, coaching and education (OIM, Employee Involvement and Communication, 2000:3).

InvoCom is an approach to communication, which is a combination of principles and set guidelines. It is based on participation, good leadership and team qualities, leadership techniques and methods, facilitation skills, structure, dynamic agenda, visual and verbal information sharing and specific rules (OIM, Employee Involvement and Communication, 2000:3). A leader creates an atmosphere of open and honest communication that encourages trust and follows direction by building respect, confidence and competence, and using it to accomplish goals and ideas.

5.9.2 The Purpose of InvoCom

The purpose of InvoCom is to mobilise available talent to get the best solution to any problem by involving the relevant people who can make difference in solving that problem (OIM, Employee Involvement and Communication, 2000:3).

It is important that employees participate significantly in problem solving and decision-making in their own jobs, and in directing the business (Hickey et al., 1998:58). Leitch et al. (1995:72) supports the issue of employee participation stating that: "Employee empowerment emphasised the importance of giving employees both the ability and the responsibility to take active steps to identify problems in the working environment that affect quality or customer service and to deal effectively with them."

During such participative problem-solving issues it is important to create and implement certain communication rules and parameters in which such a discussion should take place. The effective application of InvoCom is based on the following basic rules as set by OIM, the consultants who facilitated and implemented the communication system (OIM, Employee Involvement and Communication, 2000:14):

- (i) "No taboo subjects. This means that any topic can be mentioned during the InvoCom. The leader or facilitator has to decide the relevancy of the topic.
- (ii) Rational and not emotional approach. InvoCom promotes rational discussions rather than emotional discussions.

- (iii) Holistic perspective. It allows deeper and wider issue discussions to enable team members to always understand the “bigger picture”.
- (iv) Systematic discussion. It ensures that topics are discussed logically and systematically.
- (v) Never to hurt, only to learn. Sensitive issues can be discussed from time to time, and it must be explained to team members that the aim of the discussion is not to hurt, but to learn to allow general improvement.
- (vi) Objectivity of the facilitator. The leader or facilitator should stay objective as far as humanly possible.”

The correct application of an InvoCom, as stated above, further contributes to excellence in problem solving and goal achievement (OIM, Employee Involvement and Communication, 2000:6):

- (i) “Supporting the ongoing application of understanding based leadership.
- (ii) Opening up involvement and communication between different levels.
- (iii) Enhances discussions, explanation, understanding and problem solving.
- (iv) Cutting out blockages and reduces filtering of information.
- (v) Adds the personal touch.

- (vi) Serving as a vehicle to apply B-style on a day-to-day basis throughout the organisation.
- (vii) Providing a vehicle for continuous improvement through problem solving at the lowest possible level.
- (viii) Increasing commitment and ownership.
- (ix) Enhancing understanding-based information flow and feedback.
- (x) Enhancing creativity innovativeness, reaction time and flexibility”.

5.9.3 Principles for Structuring InvoCom

Organisations increased the flow of business information as an important step towards employee empowerment. The increased flow of business information to employees enables them to assume their new roles as problem solvers and decision makers (Leitch et al., 1995: 71).

The following types of communication do take place on a daily basis within organisations: managers have their meetings to talk about issues they believe only they should talk about, middle and junior managers have their meetings to talk about issues they believe only they should talk about, and shop-floor employees have their meetings to talk about issues they believe only they should talk about. Open, equal communication will allow the organisation to obtain maximum effectiveness from its members (Savia, 2001:100).

The following explains the total flow of information in Country Bird over a period of four months (refer to Table 5.7):

FLOW OF INFORMATION IN COUNTRY BIRD

Functioning Level	Company/ Organisation	Departmental	Section	First-line natural teamwork
Focus	Mainly company wide on information sharing and only operational if required by no taboo subject rule. In such cases the matter could be referred to the relevant line manager with follow-up and feedback.	Departmental information sharing and unresolved issues.	Operational progress review, goal setting and problem solving, planning and information sharing.	Operational progress review, goal setting, problem solving and planning.
Frequency and Duration	Quarterly for +/- 1 - 2 hours	Monthly for +/- 1 - 2 hours	Weekly/ fortnightly +/- 30 minutes	Daily for +/- 15 minutes
Facilitated by	Managing Director/General Manager	Departmental Manager/ Farm Manager/ Processing Manager/ Marketing	Asst. Farm Manager/ Head of Department	Site Manager/ Site Foreman/ Team Leaders

		Manager/ Financial Manager		
Composition Principle	<p>Cross-cut of key influences</p> <p>All levels and disciplines</p> <p>Some elected and appointed leaders</p> <p>Rotation from time to time</p> <p>Manageable group size</p>	<p>Cross-cut of all levels and sections</p> <p>Key influencers</p> <p>Some elected, some appointed leaders</p> <p>Manageable group size</p> <p>Rotation from time to time</p> <p>Multi-disciplinary</p>	<p>Cross-cut of all teams</p> <p>Key influencers</p> <p>Some appointed, some elected leaders</p> <p>Rotation from time to time</p> <p>Manageable group size</p> <p>Multi-disciplinary</p>	<p>Full natural team</p> <p>Manageable group size</p>
Composition example	<p>Key influencers 50% appointed by MD and 50% elected by departments, sections or teams. Group size maximum 32. Rotation every 12 months. Ensure all major stakeholders are included.</p>	<p>Key influencers 50% appointed by leaders and 50% elected by leaders, sections and team members. Group size maximum 32. Rotation every 3 months.</p>	<p>50% appointed from First-line Supervisors (or all of them if small section) and 50% elected by team (or 1 person elected per team if few teams. Group size maximum 32.</p>	<p>The full natural work team. Manageable size +/- 20. May include representatives from related service departments.</p>

Table5.7 (OIM, Employee Involvement and Communication, 2000:9)

5.9.4 The five steps in the “B”-style process

During the strategic planning session and the two leadership summits all the representative stakeholders jointly decided that “B”-style leadership is the only means to successfully implement the selected transformation process, as it is participative - although the leader is still responsible for the implementation of the plan of action, not the group.

The following formed the basis of all communication sessions in Country Bird and in all activities related to the goal setting, planning, problem solving and decision making. The “B”-style leader (within a time framework determined by the circumstances of each particular situation) will proceed as follows (OIM, 2002:6):

- (i) “Step 1: The leader thinks through the problem, situation, or task.
- (ii) Step 2: The leader outlines the problem, task or situation and asks the team members for their suggestions and opinions, while stimulating participation and new ideas. The leader keeps quiet and listens carefully and open-mindedly to the suggestions.”

Many organisations have long acknowledged the value of employees’ knowledge and ideas, and they have tried to tap those resources through suggestion systems and other

channels. Only recently organisations recognised that broad, systematic participation is the most effective way to tap workforce knowledge, especially as it contributes to continuous workforce improvement (Hickey et al., 1998:58).

- (iii) “Step 3: Interaction, on grounds of discussions, explanations and acknowledgements between the leader and team members are important” (OIM, Leadership Philosophy, 2002:6).

Leitch et al., (1995:72) supports OIM by stating that: “Both employees and managers gained confidence in employee’s abilities to identify problems and develop solutions; some organisations increased their empowerment by establishing natural groups and self-managed teams”.

- (iv) “Step 4: The leader makes the final decision and explains why he/she has made that decision.
- (v) Step 5: The leader sees to it that the decision is implemented, and it includes the following: Monitoring, recognition, counselling and corrective action, and where necessary takes firm, but fair disciplinary action” (OIM, Leadership Philosophy, 2002:6).

5.10 Training and Development Schedule

The diverse workforce within Country Bird causes communication to be difficult with all the different cultures that compose the current organisation. It was therefore important to create a strategy “to make your message crystal clear to employees no matter where they are” (Solomon, 1999: 50).

As already indicated, an outside consultant developed the training programme according to the specific needs of the company (Randall, 1991:167). An OIM Group consultant, in conjunction with the Human Resources Manager, conducted a needs analysis during late November 1999 to determine the total number of employees to be trained in their different management capacities. A training programme was then submitted (See Annexure 6).

The training programme was broken up over a period of 10 months, from January 2000 until October 2000, to accommodate a total of 1 048 employees. It also included a final audit and further improvement planning. An ongoing audit and monitoring process every nine to twelve months was also accepted.

Due to the expensiveness of the training programme, the consultants proposed and showed their willingness to train an in-house trainer according to the company’s shop-floor needs, and also undertook to apply the necessary quality assurance annually. This person would be able to

keep abreast of the training field and of the needs of the company (Randall, 1999:166).

5.11 Situation in Company since November 2001

In October 2000, Country Bird's mother company, Senwes, stated several times that they want to sell Country Bird due to the fact that poultry is not part of their core business, and that they want to concentrate on their traditional agricultural business. Several companies such as Pioneer Foods and Early Bird indicated that they would be interested in buying Country Bird. Due to the above-mentioned, several senior managers decided to look for better opportunities outside Country Bird and left the company (see Table 5.8). The last Stakeholders' Forum was held on 18 September 2001. The rate of flow started as follows (refer to Figure 5.8).

After numerous efforts to find a suitable candidate as Managing Director, SENWES appointed John Richards from Agri-Chicks (in liquidation at that time) in the Northwest Province as the new Managing Director of Country Bird at the end of November 2002. Upon Mr Richards' arrival the Human Resources Manager categorically stated to him the type of culture of honesty, openness and mutual trust that existed in Country Bird, and that the InvoCom communication system that was implemented, formed the basis of joint problem solving and empowerment. The purpose of the Stakeholders' Forum was also explained to him in detail.

Outflow of Senior Management since December 2000

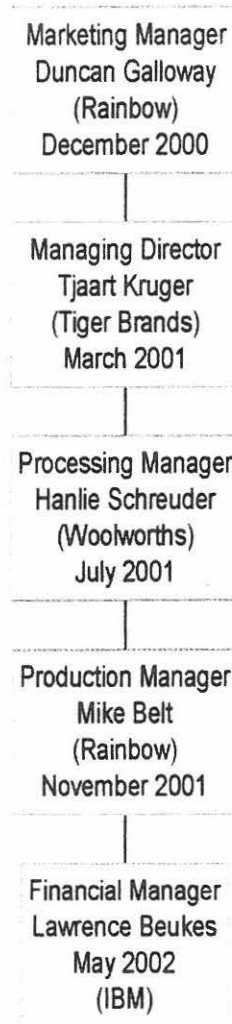


Figure 5.8 Outflow of Senior Managers 2000 to 2002

Mr Richards stated to the Human Resources Manager that he is a keen supporter of open communication, and that he believes in transformation. He also stated that he would support the culture that existed in Country Bird, as well as the transformation process. He appointed several colleagues from Agri-Chicks, his ex-company, as part of his Senior Management Team.

It became evident that the Managing Director did not like to communicate any information to his fellow employees, and came as even a greater shock when it became evident that he did not believe in Stakeholders' Forums or Workplace Forums. He blatantly refused to communicate any strategic issues, financial information, production results or any market results to the workforce of Country Bird. All the relevant information that was previously discussed in true openness was now handled in total secrecy and confidentiality. Senior Management and Middle Management all signed a "Declaration of Secrecy" that restrained them from communicating any information to the Country Bird stakeholders.

Representatives from the Stakeholders' Forum started to ask questions early in February 2002 regarding information on strategic issues, financial information, production results and market results. The request was submitted several times to the Managing Director, but with no avail. Up to his resignation at the end of December 2002, no Stakeholders' Forum information, nor any information regarding strategic, operational, financial or market issues was communicated to any stakeholders.

The SENWES Board of Directors appointed Mr Richards' protégé, Mr Jack Searle, as Managing Director of Country Bird as from 01 January 2003. Again the importance of communication and information sharing was explained to him, but to no avail. On 06 March 2003, the FAWU shopsteward at Tigane Processing Plant approached the Managing Director regarding the issue of the Stakeholders' Forum, and he wanted to know why Management had stopped communicating with employees. The

Managing Director approached the Human Resources Manager about the issue and asked for a report on “why the Stakeholders’ Forum was discontinued”. The Human Resources Manager submitted the report on 10 March 2003, indicating the reasons why the Stakeholders’ Forum was discontinued, and he recommended that the Forum be re-established as soon as possible (Country Bird Memo, Issue Stakeholders’ Forum, 10 March 2003).

Due to the important role of communication in Country Bird it was decided to determine the perception and expectation of employees in respect of communication - more than 12 months after the last Stakeholders’ Forum in September 2001.

5.12 Summary

Effective communication is the central lifeline of any organisation, it is the vehicle for driving change, shaping expectations and rallying workers around a core purpose and common message (Solomon, 1999:50). Thus, careful planning and effective cross-cultural awareness are crucial to the bottom line, especially at a time when rampant change happens fast.

Leaders has to understand that there is a value in keeping the workforce informed, and more support for end results when decision making takes place at every level and the leaders want to help make that happen. It is

obvious that effective communication is an advantage in a wide variety of areas, ranging from loyalty to building credibility with the workforce. Leaders have to look for the strengths and weaknesses of the existing communication programme and the opportunities and threats facing the company. Only then the strategy could be aligned with the business goals.

It is therefore important to compare Country Bird's successful communication system against the following list of characteristics (refer to Table 5.9):

COMPARISON – COUNTRY BIRD'S COMMUNICATION SYSTEM

No.	Solomon's Characteristics	Country Bird's Success
(i)	Senior management must recognise the importance of communication in achieving business objectives.	Employees were informed during the Stakeholders' Forum meetings about strategic, production, operational, financial and marketing achievements.
(ii)	Senior management must tie communications initiatives to corporate business objectives.	InvoComs formed the basis of all communication in the company
(iii)	The organisation should provide information to employees about how the company is doing in meeting its goals.	Employees were informed during the Stakeholders' Forum meetings about strategic, financial results.
(iv)	Employee communication programmes must be developed proactively rather than reactively.	InvoComs were based on joint problem solving.
(v)	Employee communications programmes must place strong emphasis on helping employees	During all the transformation training, business and economic aspects were explained to all stakeholders

	understand the business.	
(vi)	A comprehensive communication programme should be an essential part of the organisation's business strategy.	InvoCom formed the basis of all formal communications in the company.
(vii)	Managers at all levels should be rewarded for communicating effectively.	InvoCom would form part all key performance areas for incentive-based payments.
(viii)	Employee communications programmes must place a strong emphasis on providing information and feedback to motivate and improve job performance.	During the Stakeholders' Forum meetings employees were informed about strategic, production, operational, financial and marketing achievements.

Table 5.9 Solomon's Characteristics (Solomon, 1999:54)

Managers and employees should also be sensitive to cultural diversity issues, as they have to learn from mistakes and misinterpretations, otherwise it could have a negative effect on internal communication. Success with such a transformation does not happen overnight, and all levels of employees must be educated and trained in effective communication skills and feedback techniques, and in business plans and business concepts, so they know that their increased participation will require major changes in roles and responsibilities.

Open and honest communication through innovation, involvement and joint problem solving will only be successful when all leaders, managers and team members work towards a common goal and provide the necessary channels and forums for two-way communication.

CHAPTER 6

RESEARCH METHODOLOGY

The focus of this chapter is to explain the issue of research methodology and the reason why the researcher used questionnaires as the method of research.

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CHAPTER 6

6.1 Introduction

The preceding chapters form the basis of the empiric study and inevitably determined the research process, procedures and the target population. The purpose of this chapter is to expound the reason why questionnaires had been selected as the measuring instruments. The objective is to categorise the collected data in a meaningful and useful way, enabling the researcher to analyse and to interpret the submitted data accordingly.

6.2 What is Research?

Research can be undertaken for two different purposes. Purpose number one is to solve an existing problem in the working environment, and purpose number two is to add or to contribute to the general body of knowledge in a particular area of interest.

Research, according to Mason and Bramble (Metcalf, 1998:43), is essentially about "...finding, structuring and understanding the complexities of knowledge. This knowledge may be used to build theory, to develop policy, to support decision making, or just find out something".

Smit (1995:3) defines scientific research as “a critical and purposeful action to collect data and new facts, and provide the correct and lasting interpretation of such data and facts. It is a series of steps designed and followed with the goal of finding answers to the issues that are of concern to the employer and employee and the organisation”.

Sekaran (1992:4) states that research can be described as a systematic and organised effort to investigate a specific problem that needs a solution. It is a series of steps designed and followed with the goal of finding answers to the issues that are of concern to us in the work environment. Robbins (1991:27) agrees with Sekaran that “research is concerned with the systematic gathering of information. Its purpose is to help us in our search for the truth”.

The main purpose of conducting basic research is to generate more knowledge and understanding of the phenomena that occur and to build theories based on the research results. Such theories subsequently become the foundation for further study of the phenomena. This process of building on existing knowledge is the genesis for theory building in the management area (Sekaran, 1992:7).

Research is an inquiry process that has specific components. Hernon (2001:81) describe the components as: “... the first of which is reflective inquiry (problem stating, literature review and theoretical framework, logical structure, objectives, and, as appropriate, research questions and

hypotheses). The second component is procedure, or research design and method(s) of data collection, and the third component centres on the gathering, processing and analysing of data. The fourth component relates to issues of reliability and validity (quantitative study) or credibility, trustworthiness, transferability, dependability and confirmability (qualitative study). The fifth component is an extension of the third component: presentation of research findings.”

Fox, according to Poggenpoel and Myburgh (2001:409) argues that the five-step method of observation can be regarded as the classic method of scientific research, and states that:

- “ Step 1: The researcher observes natural phenomena;
- Step 2: The researcher draws conclusions as to what is happening;
- Step 3: The researcher utilises the conclusions to formulate hypothesis (predictions) pertaining to the casual relationship between certain observations
- Step 4: The researcher tests the hypothesis over time; and
- Step 5: The researcher attempts to develop theories to explain what is happening. Thereafter the spiral scientific investigation manifests in building and developing the body of knowledge in a specific field”.

The research process that was followed during this study is in accordance with Sekaran’s (1992:31) research process for basic and applied research:

- (i) "Observation: Broad area of research interest identified.
- (ii) Preliminary Data Gathering: Interviewing, literature survey.
- (iii) Problem Definition: Research problem delineated.
- (iv) Theoretical Framework: Variables clearly identified and labelled.
- (v) Generation of Hypothesis.
- (vi) Scientific Research Design.
- (vii) Data Collection, Analysis and Interpretation.
- (viii) Deduction: Hypothesis substantiated?
- (ix) Research question answered".

However, it is important to note that when research is done with the intention of applying the results of the findings to solve specific problems currently being experienced in the organisation, it is called applied research.

6.3 What is Applied Research?

Smit (1995:4) defines applied research as systematic research to expand knowledge with the emphasis on its practical value / application. It is aimed at solving problems and entails the practical implementation of research findings.

Sekaran (1992:6) supports the above-mentioned statement, and regards applied research as research being done where a problem arises in an organisation and researchers are needed to study the problem of concern in order to find solutions that can be implemented to rectify the problem situation.

6.4 Why Questionnaires?

Questionnaires are one of the most popular methods to measure and determine attitudes. The main objective of a questionnaire is to obtain information by asking questions. A questionnaire is from its very nature a scientific instrument to gather data for a specific purpose according to specific guidelines (Van Dalsen, 1986:203).

To value attitudes, the type of questions asked should determine whether the respondents do agree or do not agree with a certain view. Important to note is that the respondent indicates whether he or she does or does not agree with the statement. Through questionnaires the following information could also be obtained from respondents (Huysamen, 1996:128):

- (i) "Biographical Particulars (age, educational qualification, income, etc.)
- (ii) Typical Behaviour.

- (iii) Opinions, beliefs and convictions.
- (iv) Attitudes”.

The type of questions asked in the questionnaire is vital, and it is important that the survey is not contaminated with unnecessary questions, or made deficient by lacking necessary questions. Written questionnaires can be of two types. Open questions can be asked for information in respondents’ own words, or closed or multi-choice questionnaires asked for the respondents to select among possible responses.

The method of data collection is relatively inexpensive and quick when used on large groups of people and yields important quantifiable data, but it is important to note that such data are often hard to analyse and interpret (Martin, 2000:342).

It is important to keep the following in mind when developing a questionnaire (Huysamen, 1996:128):

- (i) “Choose judiciously between open-ended and close-ended questions.
- (ii) Take the respondents’ literacy level into consideration.
- (iii) Be careful not to offend.
- (iv) Strive for conciseness yet unambiguousness.
- (v) Maintain neutrality.
- (vi) Use a justified sequence.”

A questionnaire is a very versatile method of research. Questionnaires also take less time and are less expensive than observation, as questions could be drafted to attain information regarding certain problems. Knowledge, opinions and certain intentions are not obvious or visible during observation sessions. It means less time will be wasted when questionnaires are used to obtain certain data. The versatility of questionnaires is the main advantage thereof as a research instrument.

The empiric research stipulates an attitude study, and it is expected of the respondents to portray their current perceptions and expectations regarding the current internal communication in Country Bird. The questionnaire has been designed because there is no other measure instrument available to conform to the purpose of this study.

The purpose of the questionnaire is to determine the effectiveness of internal communication in Country Bird after September 2001, when coming to a halt, up until October 2002. The effectiveness of the questionnaire points out the role and involvement of employer and employee in the internal communication process.

The execution of the internal communication process refers to a universum of tasks by both employer and employee. Due to the magnitude of tasks only a random of tasks could be included in the questionnaire.

The sample has to be representative of the universum of tasks (Huysamen, 1986:40).

The representation of the sample of the universum will determine the validity and reliability of the research.

6.5 Direct Observation

Direct observation may be the only way to gather firsthand data. Participant observation is normally carried out in the natural setting, normally the familiar working environment, with the researcher becoming a temporary member of the environment (Murray, 1998:313). McClelland (Martin, 2000:342) states that: "On-site observations are used to gain firsthand feedback on job and task performance where procedures and work processes can be visually observed and measured ... and can be used to identify issue related to competency, skill, and morale levels."

It is important to note that observation is of little or no value if the person observing a task or work process is unfamiliar with what the person is observing. The objective is to allow and to understand the functioning within the working environment and the people within their perspective.

Direct observation is very time consuming and on the other hand very expensive. In situations where some participants may be less able to

speak for themselves, participant observation can be a particular powerful tool. It is in fact more practical to use this method of data-collection to support other information when identifying training needs, or to establish a benchmark. Through observation the researcher utilises a direct and probing mode of enquiry, over time, in an attempt to “dig deeper” and uncover something as yet unknown (Gerdes and Conn, 2001:184).

6.6 Validity and Reliability

The two main criteria for testing the goodness of measures are validity and reliability. Sekaran (1992:171) defines validity and reliability as follows:

“Validity: Validity tests how well an instrument that is developed measures the particular concept it is supposed to measure, and

Reliability: Reliability tests how consistently a measuring instrument measures whatever concept it is measuring”.

Superficially viewed, the obviousness of validity is seen as not so important. In practice it means that subtle variances could exist between validity and reliability, and it means that researchers have to determine the validity of each project beforehand.

Reliability is the characteristic of research that determines the same results after repeating the same test by the same researcher, or other researchers. A questionnaire that is not up to standard, or samples that are not representative of the population, are factors that should have a negative effect on the results.

There are certain criteria that distinguish scientific research from any other method. Boyd, Westfall and Stasch (1985:31) stated that validity and reliability could be affected by:

- (i) “the objectivity of the researcher, and
- (ii) the accuracy or non-accuracy of measurement, and
- (iii) how long the research process has been extended.”

6.7 The Questionnaire

The design of the questionnaire was to study the aspects of communication in Country Bird (refer to Annexure 7). The information provided would help to determine the level of standard of communication in the workplace between employer and employee, and vice versa, such as work ethics, joint problem solving, information sharing, employee assistance and the expected level of communication required. The information provided by the respondents would determine the efficient or non-efficient standard of communication in designated workplaces.

Due to the size of Country Bird, it was impossible to include the total population in the research study. It was decided to do random test sampling. The questionnaires were distributed based on the percentage of each complex to total manpower. The questionnaires were given out randomly, irrespective of employment level, colour, race or gender.

The questionnaire consisted of 12 questions. The 12 questions were divided into five interrelated items, namely:

- (i) Work Ethics
- (ii) Joint Problem Solving
- (iii) Importance of Communication
- (iv) Employee Assistance
- (v) Expectations

After the selection of the five items it was decided to give the respondents preference to think about their everyday communication experience on the job, and to circle the most appropriate response.

6.8 Method of Investigation

Due to the high illiteracy level of the Country Bird workforce it was decided to use structured questionnaires that were completed in the presence of

junior managers. Cultural diversity and illiteracy could lead to possible distortion of results and other practical reasons could be the incorrect interpretation and perception of the questions that has been asked. The junior managers explained the information to all respondents who could not write, nor read or understand English. The researcher made use of structured questionnaires to ensure total consistency in the completion of the questionnaires due to the low literacy level in the company.

The current investigation is a descriptive study seeking to determine a pattern regarding the perceptions and attitudes of different employees in respect of the implementation and maintaining of a formal communication system in the company.

Considering the fact that it was impossible to involve the total workforce of the company, it was decided to base the study on random sampling. There was no limitation on the respondents regarding job title, gender, race, age or disability.

A questionnaire was randomly issued to individual employees for completion in the presence of the employee's head of department, who explained the questions and the method of completion.

The questionnaires were issued on the 1st of September 2002, and were completed on the same day that the different complexes had been visited.

A total of 250 questionnaires had been issued randomly to the different complexes, and 115 were returned. All of the 115 questionnaires that were returned could be evaluated accordingly. The effective return on the evaluated questionnaires was 46% of the universum. The questionnaire and the discussing of the responses were in English to ensure uniformity in the use of language.

6.9 Target Population

With reference to the research question it is clear that the research study is limited to Country Bird employees. The target population includes all levels of employees, except Senior Management. The total number of employees employed in Country Bird during the time of research was 1 048 persons.

6.10 Random test

Due to diverse nature of the process within Country Bird, it was decided not to limit the study to only one complex but to involve the total company. To be able to generalise the validity of the research results, the test sample was randomly spread over the total company.

A total of 250 questionnaires had been issued randomly to the different complexes, and 115 were returned. All of the 115 questionnaires that were returned could be evaluated accordingly. The effective return on the evaluated questionnaires was 46% of the universum.

6.11 Summary

The purpose of research is to explore the phenomenon of interest from the researcher's perspective, and it is essential to put the findings in the context in which the study took place. A full description of the followed research process has to be put forward and from this account "... it should be possible for the reader to judge the reliability of the results" (Murray, 1998:316).

According to Ellis (1990:23) the outcome of the research depends as much on the social context in which it is being carried out as it does on the methodology, which is employed, and the theoretical framework within which it was developed.

Once this project is completed, it will make an important contribution to the importance of effective communication in the poultry industry in the Free State and other interested industries.

Chapter 7

ANALYSIS OF QUESTIONNAIRES

The focus of this chapter is on the analysis of the responses, as captured by the questionnaires.

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CHAPTER 7

7.1 Introduction

As mentioned in the previous chapter, the data collection method was in the form of questionnaires. The focus of the questionnaires was on all levels of employees within Country Bird. Subsequent results will be documented with regard to twelve questions, summarized in six categories.

The current investigation is a descriptive study seeking to determine a pattern regarding the perceptions and attitudes of different employees in respect of the implementation and maintaining of a formal communication system in the company.

Considering the fact that it was physically impossible to involve the total workforce of the company, it was decided to base the study on random sampling. There was no limitation on the respondents regarding job title, gender, race, age or disability.

A questionnaire (refer to Annexure 7) was randomly issued to individual employees for completion in the presence of each employee's head of department, who explained the questions and the method of completion. Cultural diversity, individual perceptions, attitudes and illiteracy could lead

to possible distortion of results, and other practical reasons could be the incorrect interpretation and perception of the questions that have been asked.

The study started on the 1st of September 2002 and ended on 31 March 2003. The questionnaires were completed during the first two weeks of October 2002, and were returned the same day the different complexes had been visited.

A total of 250 questionnaires had been issued randomly to the different complexes, and 119 were returned. All of the 119 questionnaires that were returned could be evaluated accordingly. The effective return on the evaluated questionnaires was 47.6% of the universum. The questionnaire and the discussing of the responses were in English to ensure uniformity in the use of language.

7.2 Design of the Questionnaire

The design of the questionnaire was designed to study the aspects of communication at work. The information provided would help to determine the level of standard of communication in the workplace between employer and employee, and vice versa, such as work ethics, joint problem solving, information sharing, employee assistance and the expected level of communication required.

7.3 Analysis of Data

The objective is to categorise the collected data in a meaningful and useful way, enabling the researcher to analyse and interpret the submitted data accordingly.

7.4 Total Number of Questionnaires Received versus Total Questionnaires Issued

The total number of questionnaires received versus the total number of questionnaires issued per Complex is as follows (refer to Table 7.1):

Total number of questionnaires received versus total number of questionnaires issued per Complex

Complex	Total Received	Total Issued
Supreme Kimberley	5	5
Breeding	13	23
Tigane	44	83
Centre/HQ	5	5
Admin and Finance	4	4
Botshabelo	48	130
TOTAL	119	250

Table 7.1 Total number of questionnaires received versus total number of questionnaires issued per Complex

Table 7.1 above shows that a total number of 250 questionnaires were issued, and that only 119 (46%) questionnaires were returned. The total number of questionnaires issued to each Complex was determined on the basis of total manpower strength per department in relation to total company manpower strength (refer to Table 7.1).

A 100% return of questionnaires was reported from Supreme Kimberley, Marketing, Finance and Administration, 56.5% from the Breeding Complex, 52% from Tigane Complex and 36.9% from the Botshabelo Complex.

7.5 Feedback per Question

A total of 12 questions, some with subdivisions, were put forward to the employees, and the outcome per question was as follows:

7.5.1 Question 1

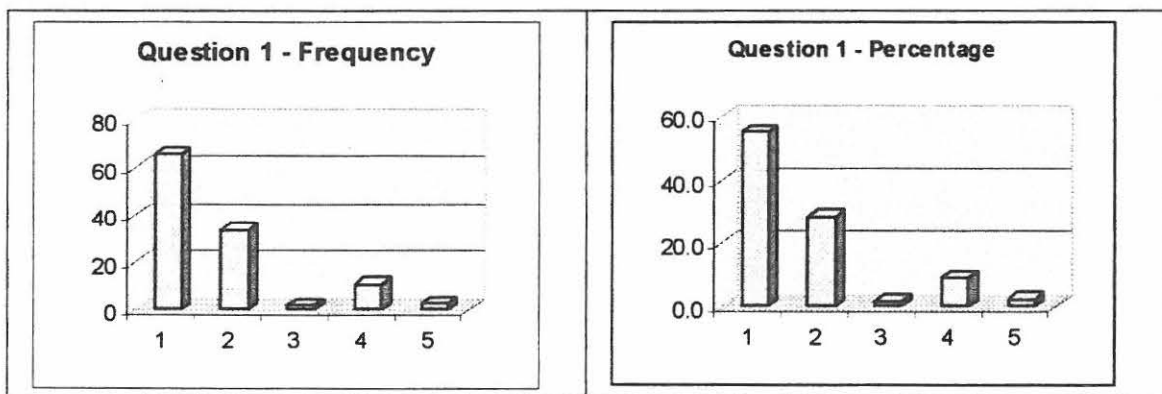
"Your Manager / Supervisor greets you every morning."

The question aimed to determine whether the employee's Manager/Supervisor greets him/her every morning.

Frequency Table 7.1 Your Manager / Supervisor greets you every morning

Description	Frequency	Percentage
Valid Strongly Agree	66	55.5
Agree	34	28.6
Neutral	2	1.7
Disagree	11	9.2
Strongly Disagree	3	2.5
Total	116	97.5
Missing System	3	2.5
Total	119	100

Graph 7.1 Your Manager / Supervisor greets you every morning



The majority of the respondents, namely 84.1%, strongly agreed and/or agreed that their supervisors greeted them every morning, as it is in line of good workplace ethics and the Country Bird Code of Conduct. Only 11.7% disagreed or either strongly disagreed, stating that it is not necessary for a supervisor to greet employees under his/her auspices in the morning (refer to Frequency Table 7.1 and Graph 7.1).

7.5.2 Question 2

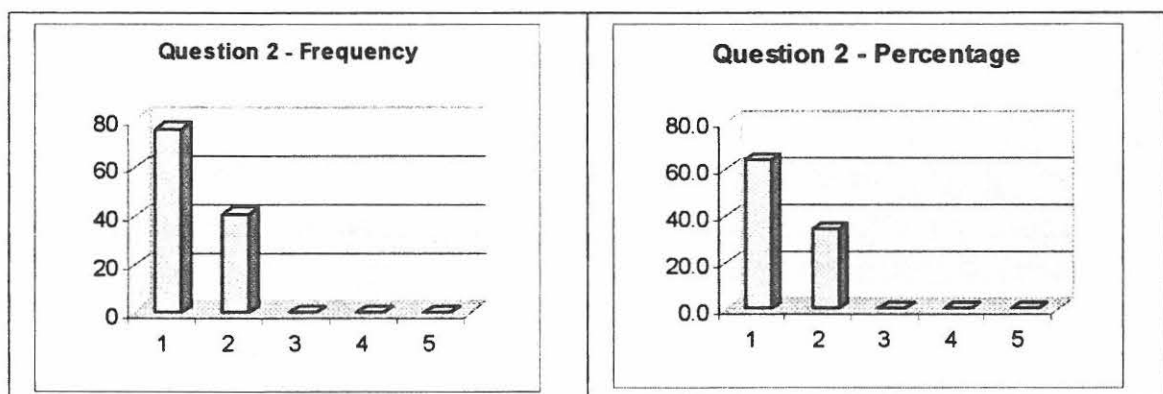
“Does your Supervisor know your name?”

This question aimed to determine whether an employee's Supervisor knows his/her name.

Frequency Table 7.2 Your Manager / Supervisor greets you every morning

Description		Frequency	Percentage
Valid	Strongly Agree	76	63.9
	Agree	41	34.5
	Neutral	0	0
	Disagree	0	0
	Strongly Disagree	0	0
	Total	117	98.3
Missing	System	2	1.7
Total		119	100

Graph 7.2 Does your Supervisor know your name?



A total of 98.4% respondents strongly agreed and/or agreed that it is important that the supervisor has to know their names, as it is also in line of good work place ethics (refer to Frequency Table 7.2 and Graph 7.2).

7.5.3 Question 3

“Your team meets every morning.”

The aim of this question is to determine whether your work team meets every morning prior to the commencement of shifts to discuss work-related issues.

Frequency Table 7.3 Your team meets every morning

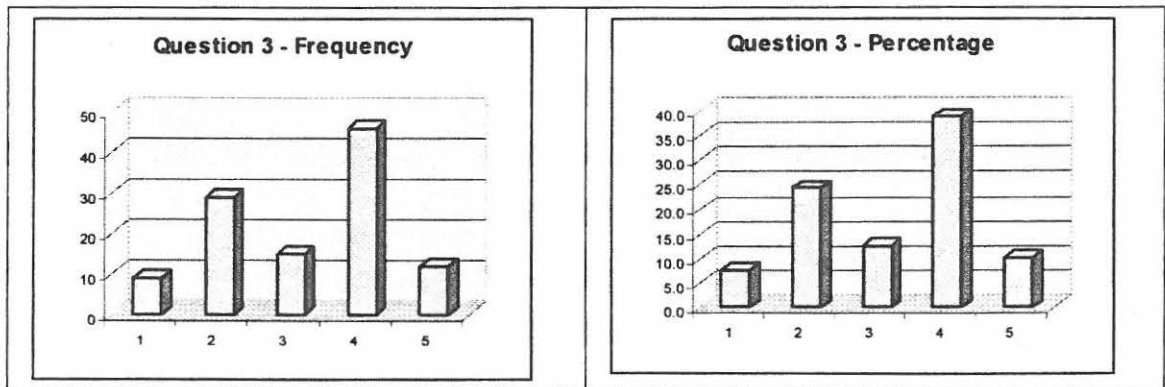
Description		Frequency	Percentage
Valid	Strongly Agree	9	7.6
	Agree	29	24.4
	Neutral	15	12.6
	Disagree	46	38.7
	Strongly Disagree	12	10.1
	Total	111	93.3
Missing	System	8	6.7
Total		119	100

A total of 32.0% of the respondents strongly agreed and/or agreed that the working team has to meet every morning before the commencement of shifts to discuss the day's planning, whereas the majority of respondents, namely 48.8%, either strongly disagreed or disagreed regarding the concept to meet every day (refer to Frequency Table 7.3 and Graph 7.3).

The frequency and duration of InvoComs, especially the first-line natural work team, has to meet daily for at least 15 minutes to discuss the

operational progress review (OIM Employee Involvement and Communication, 2000:9).

Graph 7.3 Your team meets every morning



7.5.4 Question 3.1

"To discuss the previous day's results."

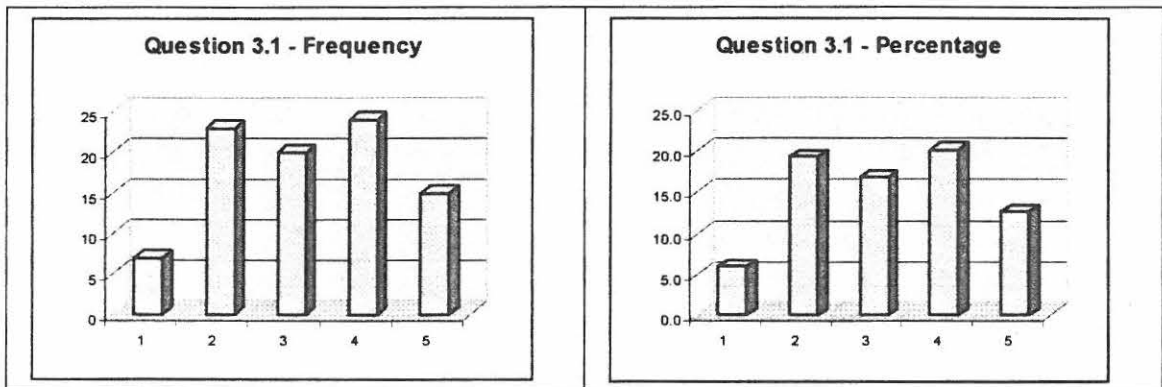
This question aims to determine whether the team discusses the previous day's results to determine whether production targets have been met or not.

Frequency Table 7.4 To discuss the previous day's results

Description		Frequency	Percentage
Valid	Strongly Agree	7	5.9
	Agree	23	19.3
	Neutral	20	16.8
	Disagree	24	20.2

	Strongly Disagree	15	12.6
	Total	89	74.8
Missing	System	30	25.2
Total		119	100

Graph 7.4 To discuss the previous day's results



A total of 25.2% of the respondents strongly agreed and/or agreed that their team still meets every morning to discuss the previous day's results, as they regard it necessary to know whether yesterday's results have been achieved or not, as the cultural transformation process empowered employees to be continuously informed on a daily basis regarding performance. On the other hand a total of 32.8% respondents indicated that it was not important to them to know the previous day's results (refer to Frequency Table 7.4 and Graph 7.4).

7.5.5 Question 3.2

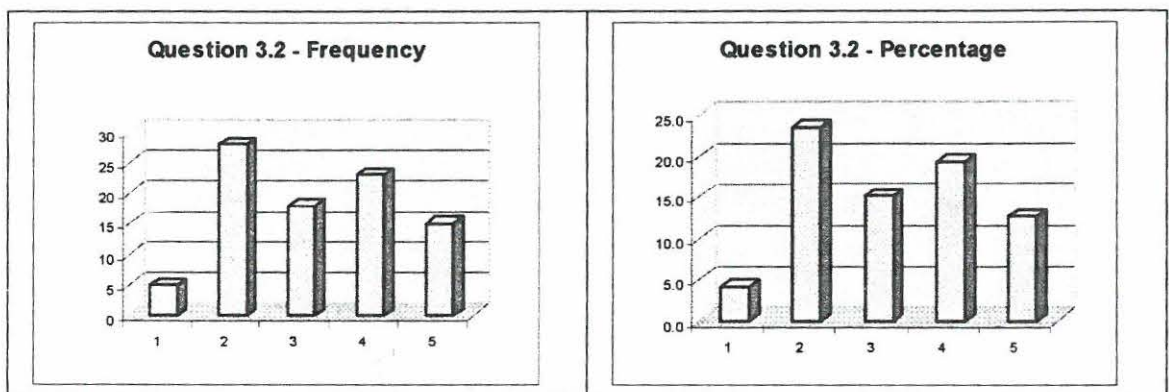
"To discuss the previous day's problems."

This question is aimed to determine whether the previous day's problems are discussed, and whether employees know how to fix them.

Frequency Table 7.5 To discuss the previous day's problems

Description		Frequency	Percentage
Valid	Strongly Agree	5	4.2
	Agree	28	23.5
	Neutral	18	15.1
	Disagree	23	19.3
	Strongly Disagree	15	12.6
	Total	89	74.8
Missing	System	30	25.2
Total		119	100

Graph 7.5 To discuss the previous day's problems



A total of 27.7% of the respondents felt that it is important to discuss the previous day's problems, as it is important to review the previous day's results and to be specific about areas of recognition and improvement. A total of 15.1% respondents were neutral, and 31.9% indicated that such discussions are not necessary (refer to Frequency Table 7.5 and Graph 7.5).

7.5.6 Question 3.3

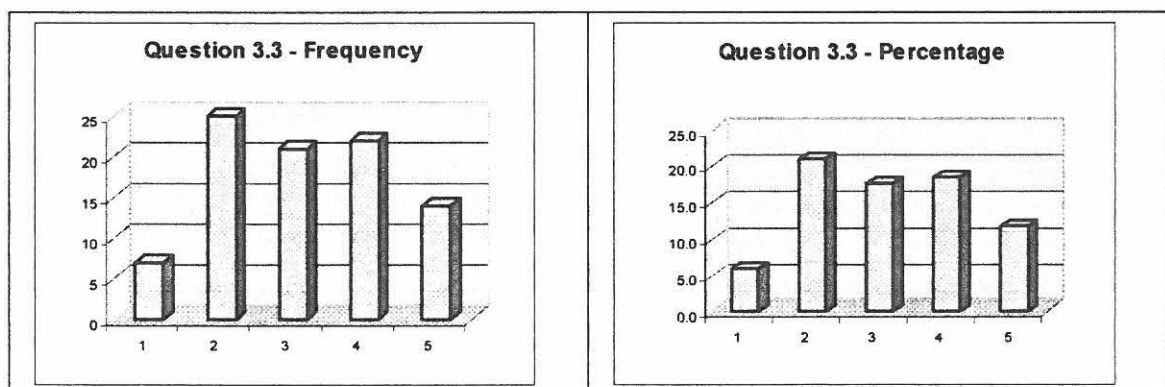
“To discuss today’s target.”

The aim of the question is to determine whether it is important to discuss today’s target.

Frequency Table 7.6 To discuss today’s target

Description		Frequency	Percentage
Valid	Strongly Agree	7	5.9
	Agree	25	21.0
	Neutral	21	17.6
	Disagree	22	18.5
	Strongly Disagree	22	11.8
	Total	14	74.8
Missing	System		24.2
Total		119	100

Graph 7.6 To discuss today’s target



A total of 26.9% of the respondents indicated that it is important to discuss every day’s production target, as their may be anticipated areas of

concern or expected problems that may occur. A total of 57.9% indicated that such discussions are not important (refer to Frequency Table 7.7 and Graph 7.7).

7.5.7 Question 3.4

“To discuss how we are going to achieve today’s target.”

The aim of this question is to determine whether employees are still empowered to discuss daily targets.

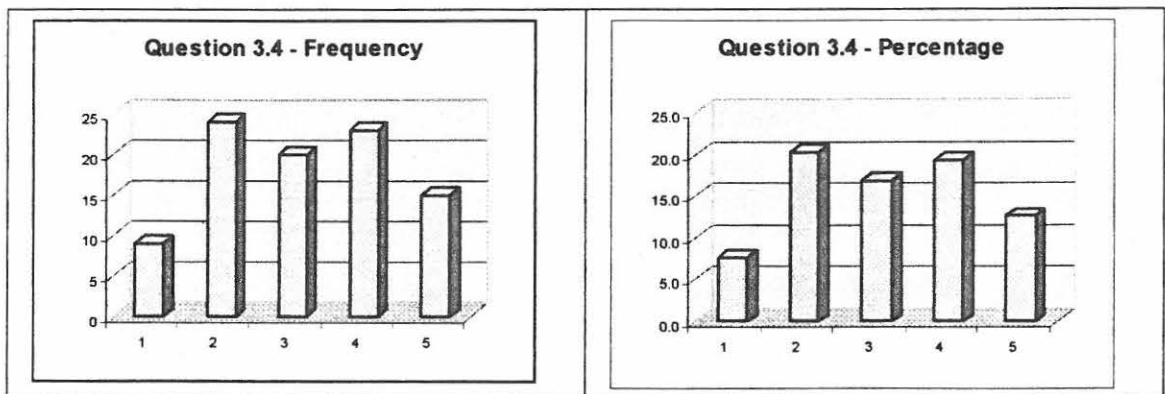
Frequency Table 7.7 To discuss how we are going to achieve today’s target

Description		Frequency	Percentage
Valid	Strongly Agree	7	5.9
	Agree	25	21.0
	Neutral	21	17.6
	Disagree	22	18.5
	Strongly Disagree	14	11.8
	Total	89	74.8
Missing	System	30	24.2
Total		119	100

A total of 26.9% of the respondents strongly agreed or agreed that it is necessary to discuss the “how’s and means” of achieving daily targets, as the previous day could have been problematic, and that the discussions could lead to synergy and joint problem-solving discussions. A total of 16.8% indicated a neutral scoring, and thereby indicated that it is not

acceptable that such discussions take place. A total of 30.3% either strongly disagreed or disagreed regarding such discussions, and it seems of no importance to them (refer to Frequency Table 7.7 and Graph 7.7).

Graph 7.7 To discuss how we are going to achieve today's target



7.5.8 Question 4

"You participate in problem solving in the workplace."

The aim of this question is to determine individual employee's participation in solving work-related problem issues.

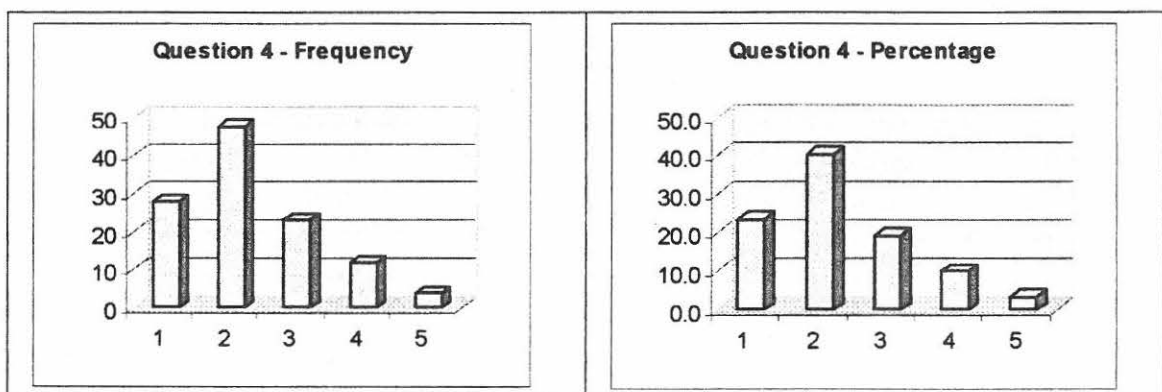
Frequency Table 7.7 To discuss how we are going to achieve today's target

A total of 63.8% of the respondents indicated that they still participate in problem-solving discussions regarding work-related issues that may occur in the workplace, irrespective of Senior Management's view of InvoComs. Only 12.4% indicated that they do not participate in such discussions at

all. It may be that such persons are not employed in production areas (refer to Frequency Table 7.8 and Graph 7.8).

Description		Frequency	Percentage
Valid	Strongly Agree	28	23.5
	Agree	48	40.3
	Neutral	23	29.3
	Disagree	12	10.1
	Strongly Disagree	4	2.3
	Total	115	96.6
Missing	System	4	3.2
Total		119	100

Graph 7.8 You participate in problem solving in the workplace



7.5.9 Question 5

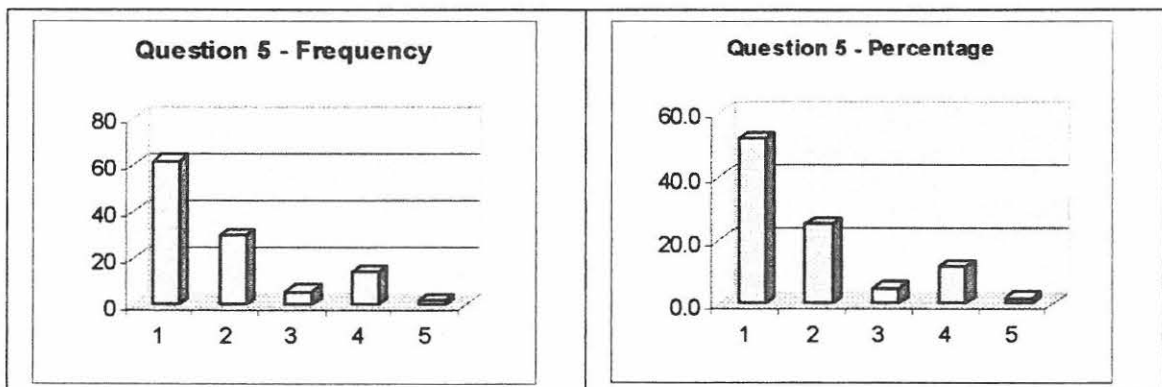
“You and your friends discuss problems in the workplace.”

The aim of the question is to determine whether co-workers do discuss work-related issues, whether formally or informally, during working hours.

Frequency Table 7.9 You and your friends discuss problems in the workplace

Description		Frequency	Percentage
Valid	Strongly Agree	62	52.1
	Agree	30	25.2
	Neutral	6	5.0
	Disagree	14	11.8
	Strongly Disagree	2	1.7
	Total	114	95.8
Missing	System	5	4.2
Total		119	100

Graph 7.9 You and your friends discuss problems in the workplace



A total of 77.3% of the respondents strongly agreed and/or agreed that they do discuss work-related problems with each other, as they do have a mutual interest in the day-to-day performance of the company (refer to Frequency Table 7.9 and Graph 7.9).

7.5.10 Question 6

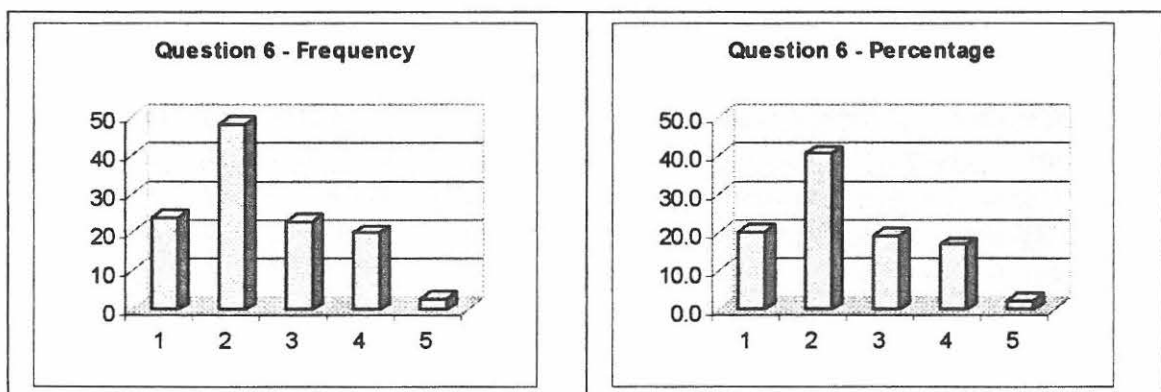
“You approach your supervisor with possible solutions.”

The aim of this question is to determine whether the individual employee do approach the supervisor with possible solutions, irrespective of whether it takes place on a formal or an informal basis.

Frequency Table 7.10 You approach your supervisor with possible solutions

Description		Frequency	Percentage
Valid	Strongly Agree	24	20.2
	Agree	48	40.3
	Neutral	23	19.3
	Disagree	20	16.8
	Strongly Disagree	3	2.5
	Total	118	99.2
Missing	System	1	0.8
Total		119	100

Graph 7.10 You approach your supervisor with possible solutions



A total of 60.5% of the respondents indicated that they approach their supervisors with possible solutions. This indicates a culture of mutual participation in joint problem solving. It indicates that they still want to be part of business, irrespective of the non-involvement of management. A total of 19.3% showed no interest in joint problem-solving issues and it may be due to the attitude of management (refer to Frequency Table 7.10 and Graph 7.10).

7.5.11 Question 7

“Your supervisor listens to your proposals.”

The aim of this question is to determine whether superiors still listen to their subordinates regarding work-related proposals.

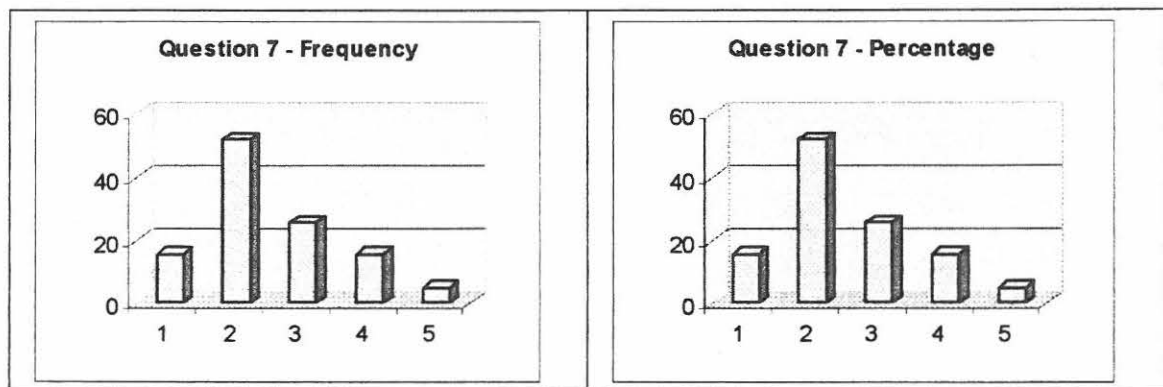
Frequency Table 7.11 Your supervisor listens to your proposals

Description		Frequency	Percentage
Valid	Strongly Agree	16	13.4
	Agree	52	43.7
	Neutral	26	21.8
	Disagree	16	13.4
	Strongly Disagree	5	4.2
	Total	115	96.6
Missing	System	4	3.4
Total		119	100

A total of 57.1% of the respondents indicated that their supervisors still

listen to their proposals during InvoComs, irrespective of the fact that internal communication and problem solving do not form part of the Managing Director's strategic plan. A total of 17.6% do not discuss any proposals with their supervisors. This could be due to the non-existence and/or the non-drive of InvoComs by Management (refer to Frequency Table 7.11 and Graph 7.11).

Graph 7.11 Your supervisor listens to your proposals



7.5.12 Question 8

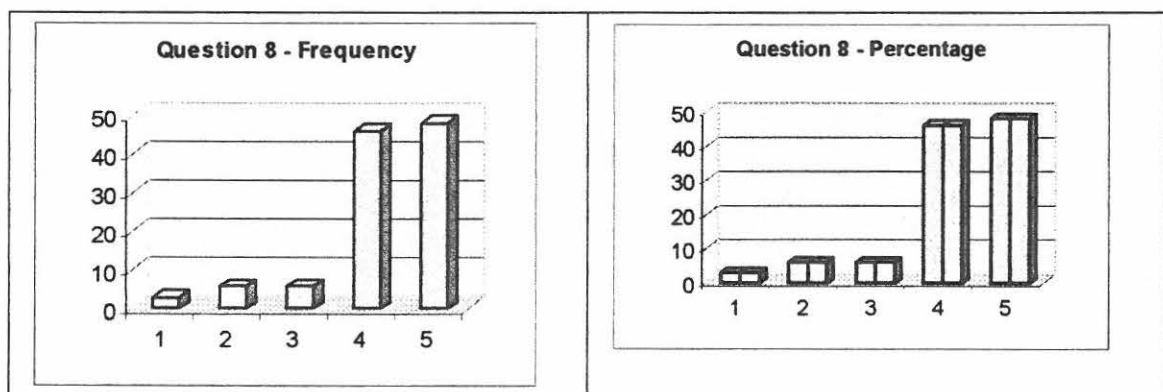
"Your Complex Manager / Branch Manager meets with you every month."

The aim of this question is to determine whether the InvoCom conducted by Complex Managers / Branch Managers are still frequently taking place.

Frequency Table 7.12 Your Complex Manager / Branch Manager informs you every month

Description		Frequency	Percentage
Valid	Strongly Agree	3	2.5
	Agree	6	5.0
	Neutral	6	5.0
	Disagree	46	38.7
	Strongly Disagree	48	40.3
	Total	109	91.6
Missing	System	10	8.4
Total		119	100

Graph 7.12 Your Complex Manager / Branch Manager informs you every month



A total of 79.0% of the respondents indicated that the suggested format of InvoCom meetings once a month with their Complex Managers does not realise via the expected InvoCom Management structure, and that they do not receive relevant company information as in the past (refer to Frequency Table 7.12 and Graph 7.12).

7.5.13 Question 8.1

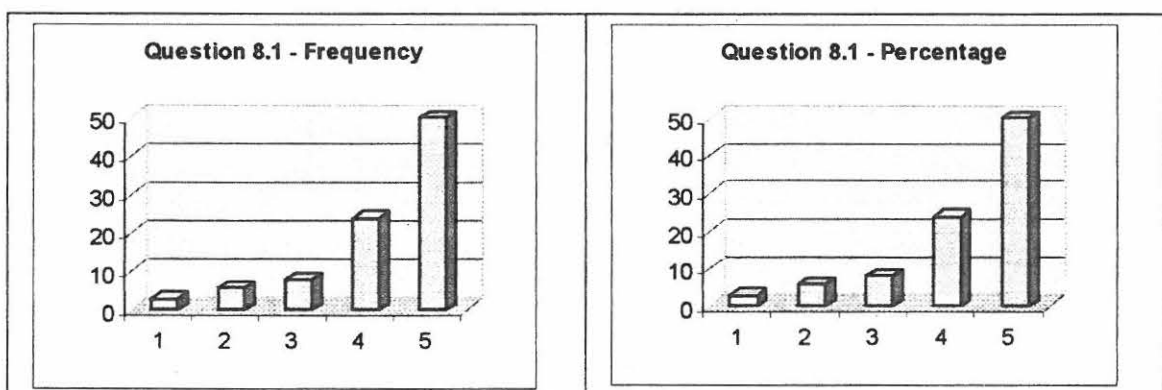
“...about the Company’s financial results.”

The aim of this question is to determine whether employees are informed about the Company’s financial results on a regular basis.

Frequency Table 7.13 About the Company’s financial results

Description		Frequency	Percentage
Valid	Strongly Agree	3	2.5
	Agree	6	5.0
	Neutral	8	6.7
	Disagree	34	20.2
	Strongly Disagree	50	42.0
	Total	91	76.5
Missing	System	28	23.5
Total		119	100

Graph 7.13 About the Company’s financial results



A total of 62.2% of the respondents indicated that they do not receive any communication regarding the financial status of the company. Between February 2000 and October 2001 the Managing Director informed employees on a regular basis regarding the financial status of the company. From November 2001 until April 2003 none of the scheduled Stakeholders' Forums had taken place, and also none of the scheduled information has been communicated with any of the stakeholders, except Senior Management (refer to Frequency Table 7.13 and Graph 7.13).

7.5.14 Question 8.2

"About the financial results of the Complex / branch."

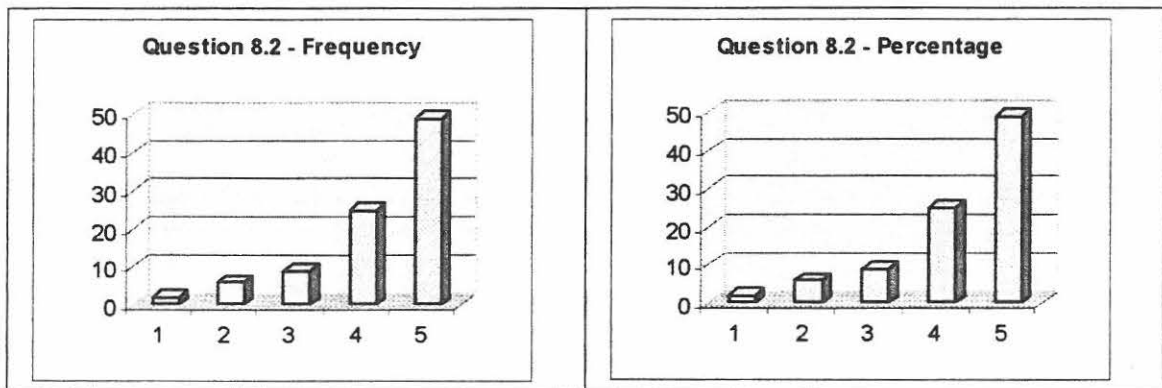
The aim of this question is to determine whether employees are informed about the different Complexes' or Branches' financial results on a regular basis.

Frequency Table 7.14 About the financial results of the Complex / branch

Description		Frequency	Percentage
Valid	Strongly Agree	2	1.7
	Agree	6	5.0
	Neutral	9	7.6
	Disagree	25	21.0
	Strongly Disagree	49	41.2
	Total	91	71.5

Missing System	28	23.5
Total	119	100

Graph 7.14 About the financial results of the Complex / branch



A total of 62.2% of the respondents indicated that they do not receive any communication regarding the financial status of their respective Complex or Branch. Between February 2000 and October 2001 the respective Managers informed employees on a monthly basis regarding the financial status of their Complexes and Branches. Since January 2002 the Managing Director placed a moratorium on the communication of any company-related information to any of its stakeholders. All the Senior Managers and Middle Managers have signed a declaration of secrecy, ending the communication of any financial-related figures to stakeholders (refer to Frequency Table 7.14 and Graph 7.14).

7.5.15 Question 8.3

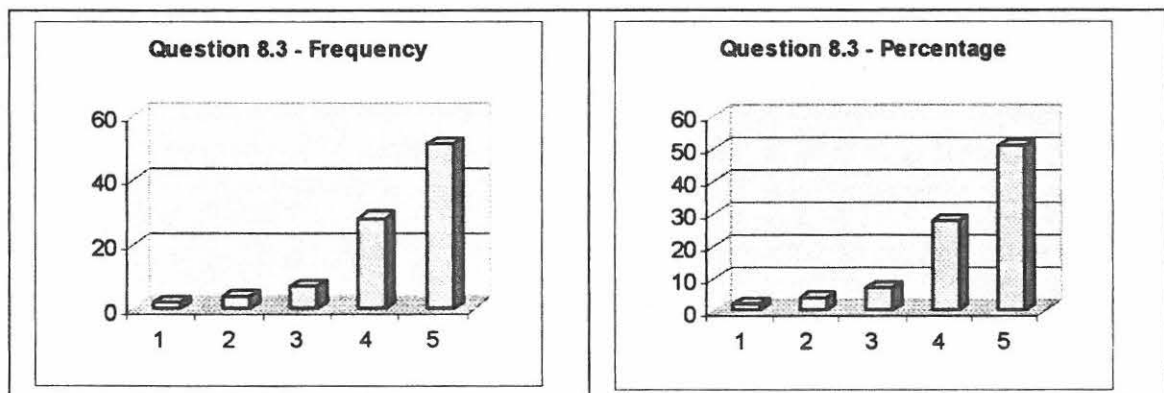
“About your department’s financial results.”

The aim of this question is to determine whether employees are informed about the different Departments' financial results within Complexes or Branches on a regular basis.

Frequency Table 7.15 About your department's financial results

Description		Frequency	Percentage
Valid	Strongly Agree	2	1.7
	Agree	4	3.4
	Neutral	7	5.9
	Disagree	28	23.5
	Strongly Disagree	51	42.9
	Total	92	77.3
Missing	System	27	22.7
Total		119	100

Graph 7.15 About your department's financial results



A total of 66.4% of the respondents indicated that they have not received any communication regarding the financial status of their respective Departments since November 2000. Between February 2000 and October 2001 the respective Managers informed employees on a monthly basis

regarding the financial status of their respective departments within the different Complexes (refer to Frequency Table 7.15 and Graph 7.15).

7.5.16 Question 9

“Communication in the workplace is important.”

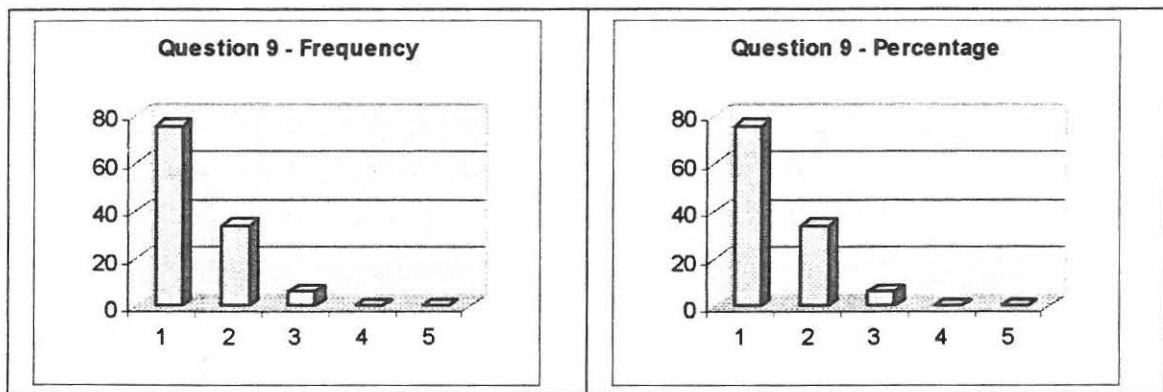
The aim of this question is to determine the importance of communication in the workplace.

Frequency Table 7.16 Communication in the workplace is important

Description		Frequency	Percentage
Valid	Strongly Agree	76	63.9
	Agree	34	28.9
	Neutral	6	5.0
	Disagree	0	0
	Strongly Disagree	0	0
	Total	116	97.5
Missing	System	3	2.5
Total		119	100

A total of 92.8% of the respondents strongly agreed and/or agreed that it is important to communicate work-related issues in the workplace, as all employees are stakeholders, and that it is a way of empowerment (refer to Frequency Table 7.16 and Graph 7.16).

Graph 7.16 Communication in the workplace is important



7.5.17 Question 10

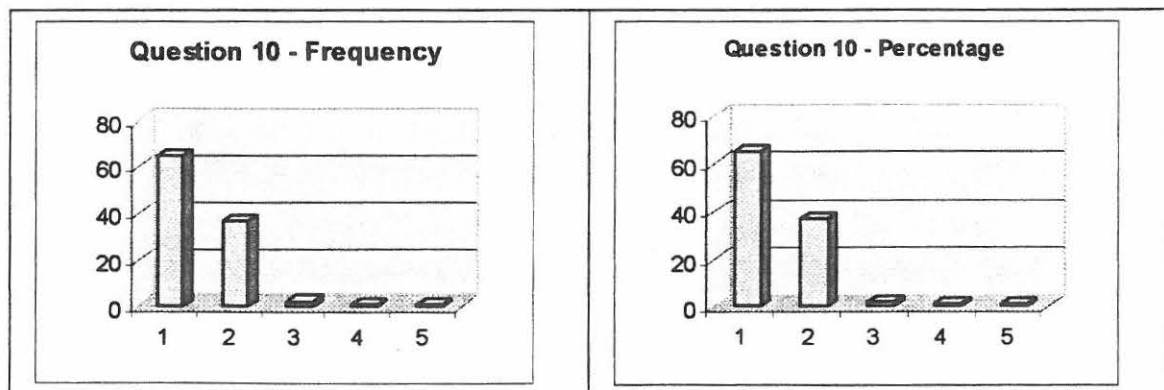
“Communication between workers is very important.”

The aim of this question is to determine the importance of communication between fellow workers, irrespective of whether it is work-related issues or personal issues.

Frequency Table 7.17 Communication between workers is very important.

Description		Frequency	Percentage
Valid	Strongly Agree	65	54.6
	Agree	37	31.1
	Neutral	2	1.7
	Disagree	1	0.8
	Strongly Disagree	1	0.8
	Total	106	89.1
Missing	System	13	10.9
Total		119	100

Graph 7.17 Communication between workers is very important.



A total of 85.7% of the respondents indicated that it is important to communicate with each other, irrespective of whether they communicate about work-related or personal issues (refer to Frequency Table 7.17 and Graph 7.17).

7.5.18 Question 10.1

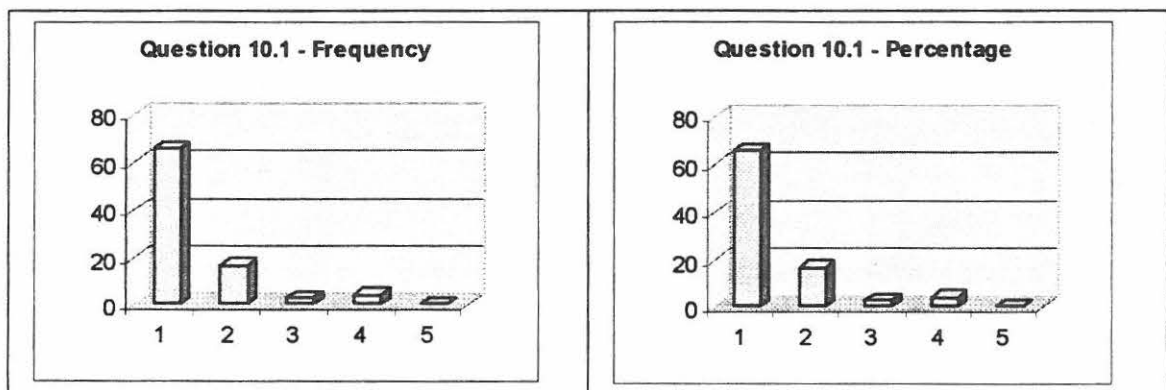
“About my work.”

The aim of this question is to determine whether mutual discussions with fellow employees, especially with regard to work-related issues, take place.

Frequency Table 7.18 About my work

Description		Frequency	Percentage
Valid	Strongly Agree	66	55.5
	Agree	17	14.3
	Neutral	3	2.5
	Disagree	4	3.4
	Strongly Disagree	0	0
	Total	90	75.6
Missing	System	20	24.3
Total		119	100

Graph 7.18 About my work



A total of 69.8% of the respondents indicated that it is important to have mutual discussions with fellow employees about work, whether it is about job satisfaction, work-related problems or criticising management, etc. (refer to Frequency Table 7.18 and Graph 7.18).

7.5.19 Question 10.2

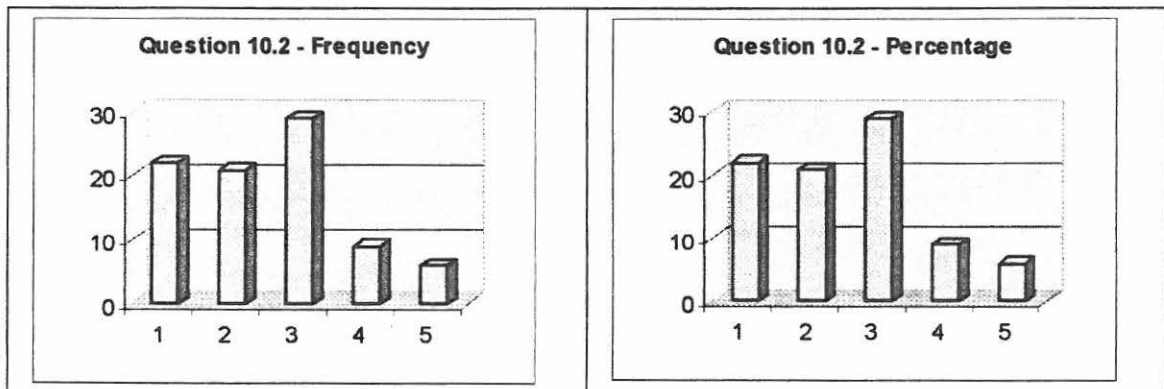
“About my family.”

The aim of this question is to determine the importance of discussing family issues at work.

Frequency Table 7.19 About my family

Description		Frequency	Percentage
Valid	Strongly Agree	22	18.5
	Agree	21	17.6
	Neutral	29	24.4
	Disagree	9	7.6
	Strongly Disagree	6	5.0
	Total	87	73.1
Missing	System	32	26.9
Total		119	100

Graph 7.19 About my family



A total of 26.1% of the respondents indicated that it is important to have mutual discussions at work with fellow employees about their families, whether it is about family-related successes and/or family-related problems. On the other hand, 24.4% were neutral and 12.6% strongly disagree or disagree about any discussions based on family problems at work (refer to Frequency Table 7.19 and Graph 7.19).

7.5.20 Question 10.3

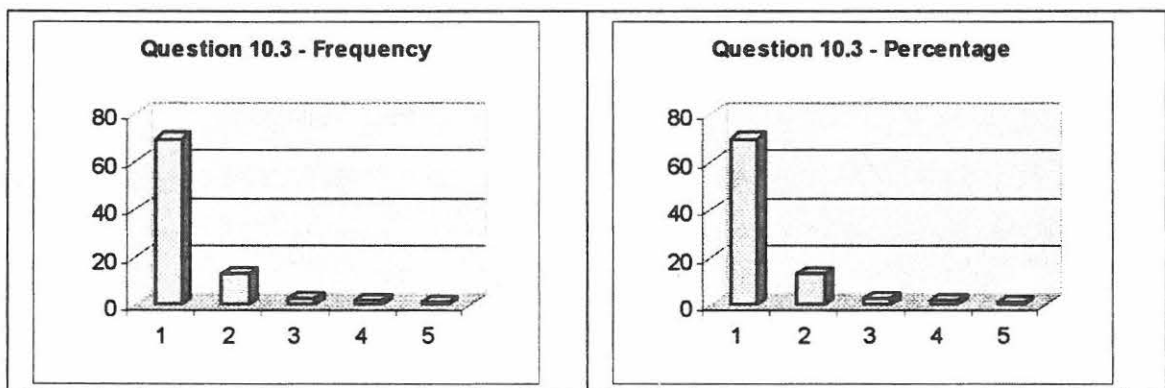
“ About my problems at work.”

The aim of this question is to determine whether it is acceptable to discuss work-related and social-related issues at work.

Frequency Table 7.20 About my problems at work

Description		Frequency	Percentage
Valid	Strongly Agree	70	58.8
	Agree	13	10.9
	Neutral	3	2.5
	Disagree	2	1.7
	Strongly Disagree	1	0.8
	Total	89	74.8
Missing	System	30	25.2
Total		119	100

Frequency Table 7.20 About my problems at work



A total of 69.7% of the respondents indicated that they discuss problems at work, irrespective if whether such problems are work-related or

personal problems, as such discussions serve as a means of stress relief (refer to Frequency Table 7.20 and Graph 7.20).

7.5.21 Question 10.4

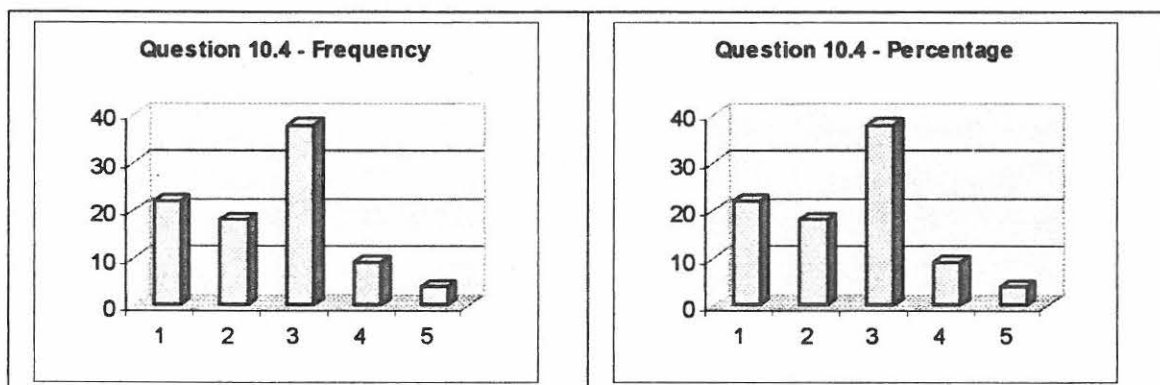
“About my problems at home.”

The aim of this question is to determine whether it is possible for an individual to discuss problems experienced at home with fellow workers.

Frequency Table 7.21 About my problems at home

Description		Frequency	Percentage
Valid	Strongly Agree	22	18.5
	Agree	18	15.1
	Neutral	38	31.9
	Disagree	9	7.6
	Strongly Disagree	4	3.4
	Total	91	76.5
Missing	System	28	23.5
Total		119	100

Graph 7.21 About my problems at home



A total of 33.6% of the respondents indicated that they discuss individual and family-related problems at work, and 31.9% indicated a neutral scoring (refer to Frequency Table 7.21 and Graph 7.21).

7.5.22 Question 11

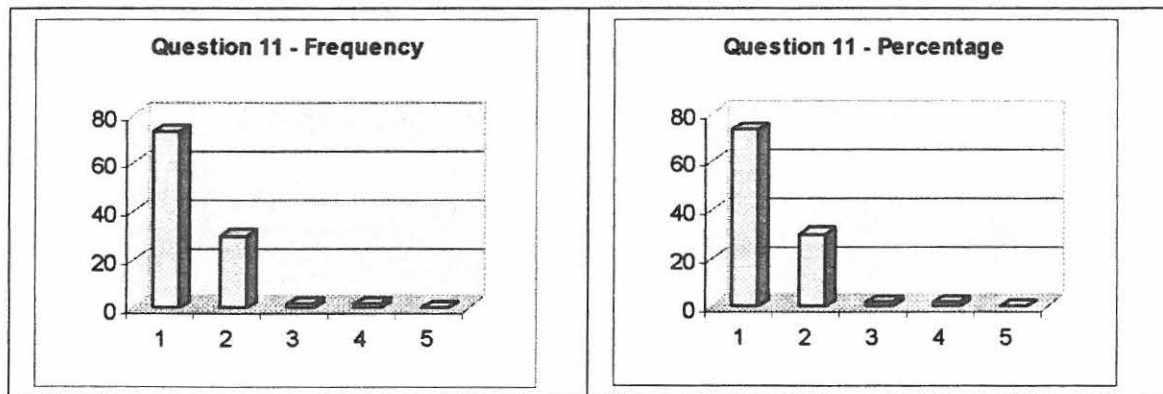
“Communication between me and my Supervisor is very important.”

Frequency Table 7.21 Communication between me and my Supervisor is very important

Description		Frequency	Percentage
Valid	Strongly Agree	73	61.3
	Agree	30	25.2
	Neutral	2	1.7
	Disagree	2	1.7
	Strongly Disagree	0	0
	Total	107	89.9
Missing	System	12	10.1
Total		119	100

A total of 86.5% of the respondents strongly agreed and/or agreed that communication between employee and supervisor is very important, irrespective of whether such communication is concerning work-related or personal-related problems, as it could develop mutual respect between employer and employee (refer to Frequency Table 7.22 and Graph 7.22).

Graph 7.22 Communication between me and my Supervisor is very important



7.5.23 Question 11.1

"About my work."

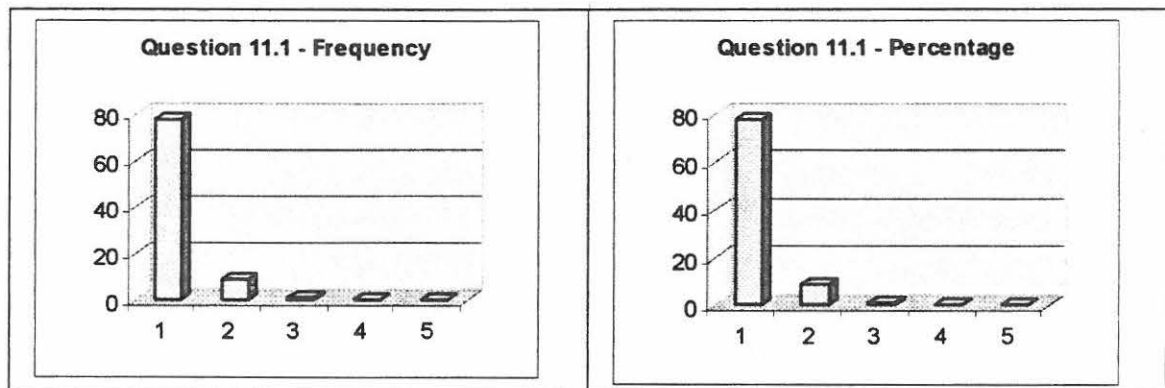
The aim of this question is to determine whether the discussion of work-related issues between supervisor and employee develops mutual understanding.

Frequency Table 7.23 About my work

Description		Frequency	Percentage
Valid	Strongly Agree	78	65.5
	Agree	9	7.6
	Neutral	1	0.8
	Disagree	0	0
	Strongly Disagree	0	0
	Total	88	73.9
Missing	System	31	26.1
Total		119	100

A total of 73.1% of the respondents indicated that it is important to discuss work-related issues between Supervisor and employee. It develops mutual respect and mutual understanding (refer to Frequency Table 7.23 and Graph 7.23).

Graph 7.23 About my work



7.5.24 Question 11.2

“About my family.”

The aim of this question is to determine whether it is important to discuss family-related issues with my Supervisor.

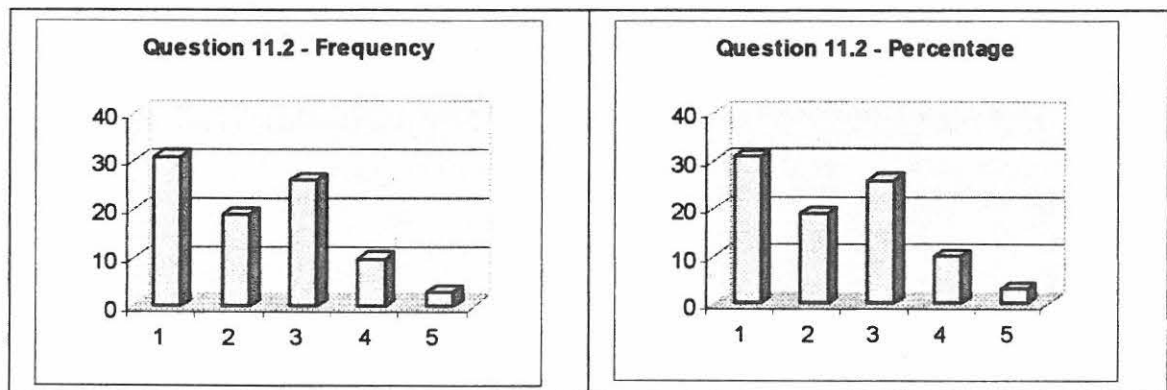
Frequency Table 7.23 About my family

Description		Frequency	Percentage
Valid	Strongly Agree	31	26.1
	Agree	19	16.0

	Neutral	26	21.8
	Disagree	10	8.4
	Strongly Disagree	3	2.5
	Total	89	74.8
Missing	System	30	25.2
Total		119	100

A total of 22.7% of the respondents indicated that it is important to discuss family issues with his or her supervisor, as it could influence work performance and motivation. 21.8% of the respondents indicated a neutral scoring, and 10.9% indicated that family issues should not be discussed with one's supervisor (refer to Frequency Table 7.24 and Graph 7.24).

Graph 7.24 About my family



7.5.25 Question 11.3

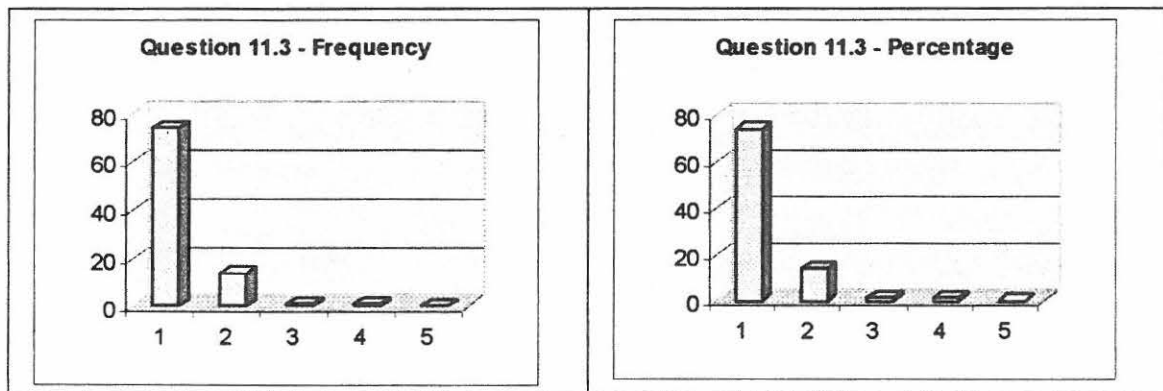
"About problems at work."

The aim of the question is to determine whether it is important to discuss any problems at work.

Frequency Table 7.25 About problems at work

Description		Frequency	Percentage
Valid	Strongly Agree	74	62.2
	Agree	14	11.8
	Neutral	1	0.8
	Disagree	1	0.8
	Strongly Disagree	0	0
	Total	90	75.6
Missing	System	29	24.4
Total		119	100

Graph 7.25 About problems at work



A total of 74% of the respondents indicated that it is important to discuss problems with his or her supervisor, irrespective of whether such problems are work-related or personally-related issues (refer to Frequency Table 7.25 and Graph 7.25).

7.5.26 Question 11.4

“About problems at home.”

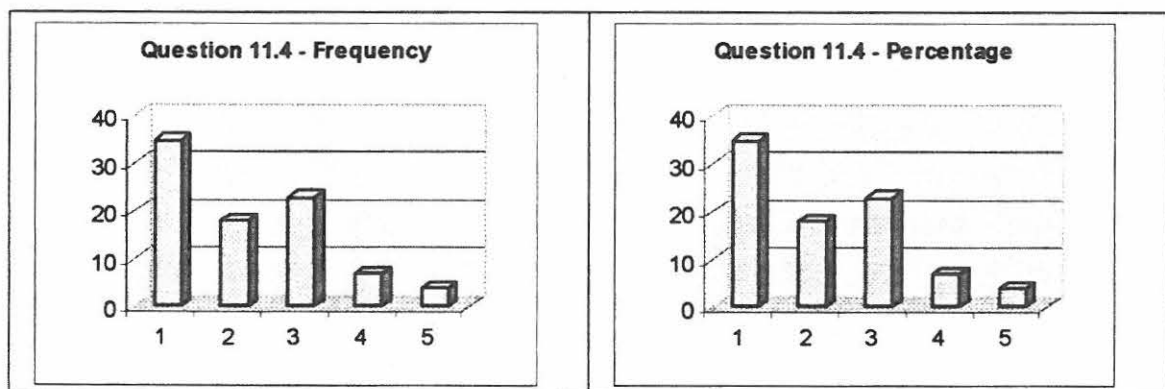
The aim of this question is to determine whether it is important to discuss family-related issues with your supervisor.

A total of 44.5% of the respondents indicated that it is important to discuss family related issues with supervisors. The reason for this is that family issues such as death, sickness, etc. may have a detrimental effect on work performance (refer to Frequency Table 7.26 and Graph 7.26).

Frequency Table 7.26 About problems at home

Description		Frequency	Percentage
Valid	Strongly Agree	35	29.4
	Agree	18	15.1
	Neutral	23	19.3
	Disagree	7	5.9
	Strongly Disagree	4	3.4
	Total	87	73.1
Missing	System	32	26.9
Total		119	100

Graph 7.26 About problems at home



7.5.27 Question 12

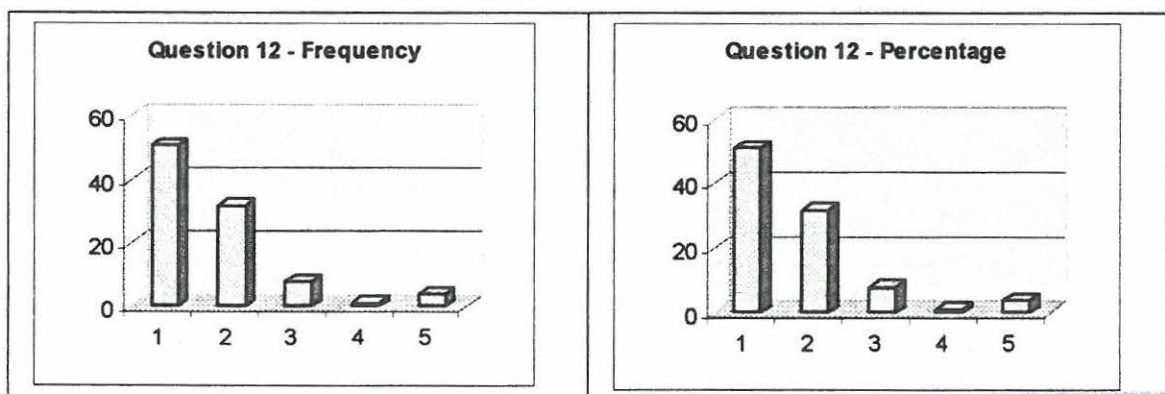
“My Supervisor MUST inform me every day of.....”

The aim of the question is to determine whether it is important that the Supervisor informs subordinates on a daily basis of relevant issues.

Frequency Table 7.27 My Supervisor MUST inform me every day of...

Description		Frequency	Percentage
Valid	Strongly Agree	51	42.9
	Agree	32	26.9
	Neutral	8	6.7
	Disagree	1	0.8
	Strongly Disagree	4	3.4
	Total	96	80.7
Missing	System	23	19.3
Total		119	100

Graph 7.27 My Supervisor MUST inform me every day of.....



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A total of 69.8% of the respondents indicated that daily communication between supervisor and employee is very important, as it develops a spirit of mutual respect, and 6.7% gave a neutral response (refer to Frequency Table 7.27 and Graph 7.27).

7.5.28 Question 12.1

“The previous day’s results.”

The aim of this question is to determine whether it is important that the Supervisor discusses the previous day’s results with subordinates on a daily basis.

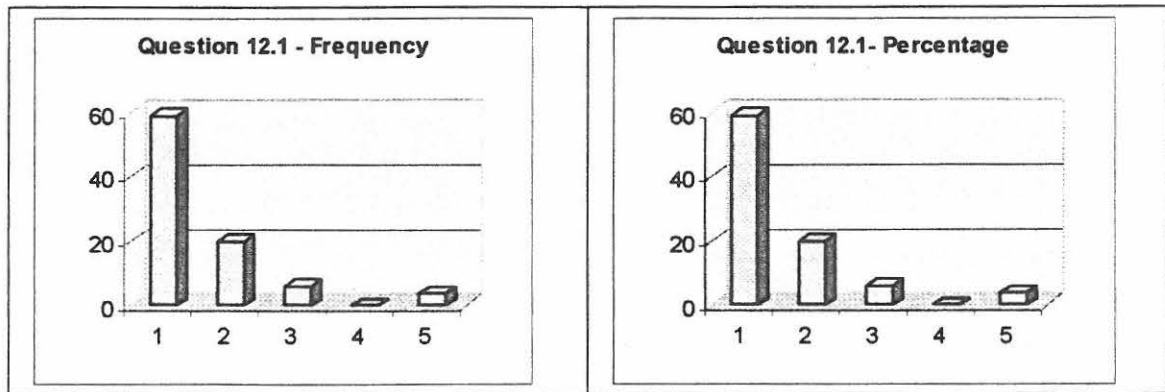
Frequency Table 7.28 The previous day’s results

Description		Frequency	Percentage
Valid	Strongly Agree	59	49.6
	Agree	20	16.8
	Neutral	6	5.0
	Disagree	0	0
	Strongly Disagree	4	3.4
	Total	89	74.8
Missing	System	30	5.2
Total		119	100

A total of 66.4% of the respondents indicated that it is important that Supervisors do discuss the previous day’s production results with his subordinates on a daily basis, so that they can receive acknowledgement

for good performance, and so that work-related problems can be identified (refer to Frequency Table 7.28 and Graph 7.28).

Graph 7.28 The previous day's results



7.5.29 Question 12.2

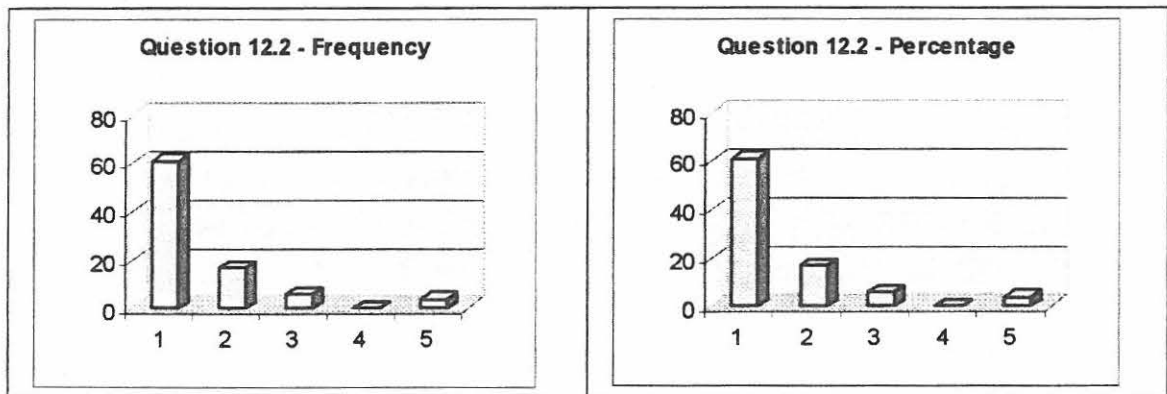
"The previous day's problems."

The aim of this question is to determine whether it is important that a supervisor discusses the previous day's problems with subordinates.

Frequency Table 7.29 The previous day's problems

Description		Frequency	Percentage
Valid	Strongly Agree	57	47.9
	Agree	21	17.6
	Neutral	7	5.9
	Disagree	0	0
	Strongly Disagree	4	3.4
Total		89	74.8
Missing	System	30	25.2
Total		119	100

Graph 7.29 The previous day's problems



A total of 65.5% of the respondents stated that it is important that the supervisor informs and discusses with subordinates the previous day's problems, as it can have a detrimental effect on the maintaining of daily production. Such discussions can create the necessary synergy, enabling the basis of joint problem solving (refer to Frequency Table 7.29 and Graph 7.29).

7.5.31 Question 12.3

"How are we going to achieve today's target?"

The aim of the question is to determine whether it is important for the group to discuss and decide on how they are going to achieve daily production targets.

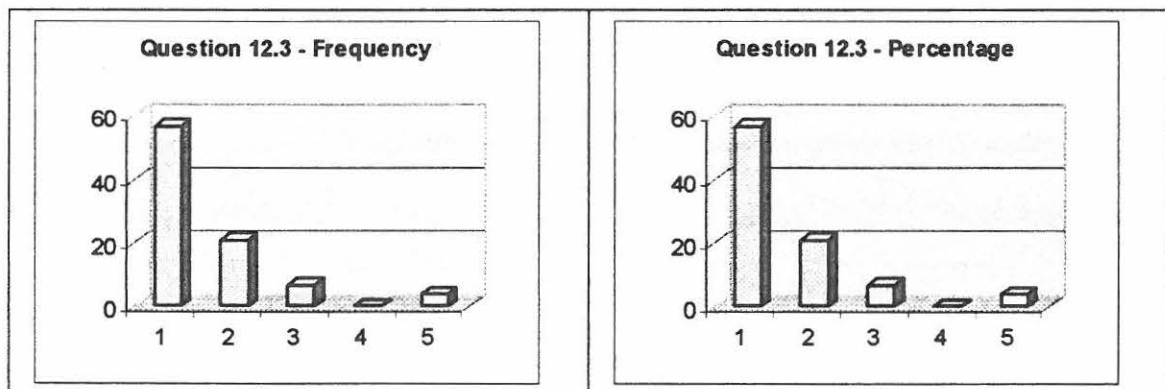
A total of 66.4% of the respondents strongly agreed that daily discussions regarding how the daily production targets will be achieved, should take

place. Synergy is very important, as employees have to be empowered to give certain input and be involved in decision-making regarding daily production (refer to Frequency Table 7.30 and Graph 7.30).

Frequency Table 7.30 How we are going to achieve today's target

Description		Frequency	Percentage
Valid	Strongly Agree	59	49.6
	Agree	20	16.8
	Neutral	7	5.9
	Disagree	0	0
	Strongly Disagree	5	4.2
Total		91	76.5
Missing	System	28	23.5
Total		119	100

Graph 7.30 How we are going to achieve today's target



7.6 Summary

The questionnaire was divided into 5 (five) categories to determine the need to communicate, namely:

- i. Work Ethics (Question 1 and 2);
- ii. Joint Problem Solving (Question 3; 4; 5; 6 and 7);
- iii. Importance of Information (Question 8);
- iv. Importance of Communication (Question 9);
- v. Employee Assistance (Question 10 and 11); and
- vi. Expectations (Question 12).

(i) Work Ethics

The importance of basic work ethics in the workplace is evident in Question 1 and Question 2. The majority of respondents indicated that basic work ethics in the workplace is very important.

Politeness and courtesy from both the employer and employee will initiate the opportunity to establish the necessary communication channels. Meyer (323:2001) indicated that: "Trust, respect, transparency, impartiality and social sensitivity are all ethical values, because they will determine how we deal with other people and how we make decisions".

Hereby the researcher wants to indicate the importance of basic work ethics as a starting point for good communication practice in the workplace.

(ii) Joint Problem Solving

The majority of respondents indicated that since November 2002 no formal pre-morning planning sessions whatsoever were taking place to discuss daily operational issues. On the other hand, the majority of respondents indicated that informal discussions regarding work issues do take place from time to time.

(iii) Importance of Information Sharing

The majority of the respondents indicated that since November 2001 no departmental, complex or total company financial issues were discussed with them, either by the Supervisor, Complex Manager or the Managing Director. On the other hand, the majority of respondents indicated that the sharing of financial results is very important.

(iv) Employee Assistance

The majority of the respondents indicated that discussions with either their Supervisor or fellow employee regarding personal issues or family-related issues are seen as important. Reasons could be quite vast. It could be due to seeking advice on how to cope with certain personal or work-related issues. Discussions such as these also developed into open discussions between fellow workers, created mutual trust, personal

support and a holistic objectivity to different personal and work-related issues.

(v) Expectations

The majority of the respondents expected that the company has to return to the “old” culture of employee and employer involvement in communication. It is important to return to the methodology of InvoComs and to create synergy to mobilise available talent by involving relevant people that can make a difference in solving such problems.

They also expected to be informed on a regular basis regarding the successes and failures of the company, as well as the financial performance of the company.

Taking the above into consideration, communication based on the given principles is important for the implementation of empowerment.

CHAPTER 8

CONCLUSION AND RECOMMENDATION

The focus of this chapter is on the conclusion of the research study and recommendations.

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8.1 Purpose of this Chapter

The purpose of this chapter is to:

- (i) indicate the information that was obtained through the empiric research as contained in Chapter 7;
- (ii) summarise the most important recommendations;
- (iii) provide the final recommendation; and
- (iv) indicate possible research fields in this context.

8.2 Introduction

The results, as set out in Chapter 7, enabled the researcher to make certain conclusions and recommendations.

In the first section of this chapter, conclusions regarding the study will be drawn. The second section of this chapter will contain a number of recommendations regarding the development of an internal communication process in the poultry industry in the Free State.

8.3 Conclusion

The data obtained from the respondents with regard to their background information and biographical characteristics reflects the following broad tendencies:

8.3.1 Biographical Characteristics of the Research Group

According to Gerber, Nel and Van Dyk (1998:357), communication is indispensable in organisations, and it is well known that only 25% of people listen effectively. That is the reason why 50% of all communication efforts fail. During the research process no distinction was made between managers, middle managers, junior managers, clerks and employees on shop-floor level. The questionnaire was distributed randomly.

All questionnaires were distributed to the different complexes based on total manpower versus total company manpower strength. What is surprising is the fact that Tigane (new processing plant in North West) returned 52% of their questionnaires, the Botshabelo (old processing plant) returned only 35% of the questionnaires and the breeding farm (old farm) returned only 48% of the questionnaires. This could be linked to the literacy levels of employees in the different departments. The attraction to the traditional management style and way of communication, the speed of transformation plus the resistance to change of both processing plants and the breeding farm are in a state of imbalance.

8.3.2 Work Ethics (Question 1 and 2)

One can conclude that basic work ethics is very important to all employees and a starting point for communications in the working place.

8.3.3 Joint Problem Solving (Question 3; 4; 5; 6 and 7)

The employees on shop-floor level represent the company's first contact with the daily operations. Their behaviour might be equally important in determining the conditions of the daily operations than in influencing the perceived quality of work. It is important to note that the majority of respondents indicated that no pre-morning planning sessions are taking place prior to the commencement of shifts. It is important to discuss the daily operational problems and to engage in joint problem-solving sessions that can influence daily production and productivity.

8.3.4 Importance of Information (Question 8)

Information sharing forms the basis of an internal communication process. A total number of 90.86% of the respondents indicated that no information regarding the financial situation of the company is communicated at all, whereas 71.43% of the respondents indicated that the sharing of financial results is important. Through the comparison of these two percentages the actual sharing of financial issues is far behind the expectations of employees.

8.3.5 Importance of Communication (Question 9)

From the results one can conclude that it is very important to discuss daily production targets with all employees. Especially in a production type environment a monetary value is linked with production and performance.

8.3.6 Employee Assistance (Question 10 and 11)

It is evident that employees have the opportunity, freedom and confidence to discuss personal matters with their supervisors and fellow employees, especially where a personal matter may have a negative effect on the individual's or group's performance. It is important to take into consideration the effect of cultural differences on an individual's or group's performance.

8.3.7 Expectations (Question 12)

With the exception of 5% of the respondents, the rest indicated that daily production results and production targets have to be discussed with them in a reasonable manner. It is also important to note that 95% of the respondents indicated that they want to be part of a joint problem-solving process.

8.4 Recommendation

In order to achieve successful business outcomes, it is important to recognise the way cultural diversity can be managed. The acknowledgement of participative communication in the transfer of meaning, understanding and mutual involvement governed by cultural imperative is very important.

In this context it is important for management to recognise that achieving success is to gain fluency in the culture of diversity itself through honesty, openness and mutual respect. Managing communication is to set in place alliances between management and employees through securing cross-cultural trust, as well as placing informative strategic planning communication and joint problem-solving processes, which contributes to a well-informed workforce.

The basic issue is to gain mutual respect and to create well-formed internal communication processes that will underpin a new knowledge-based paradigm to guide business stability in the face of eroded efficiencies in local, provincial, national and international economies.

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Annexure 1



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Business excellence through people development.

The Human Resource Manager
Country Bird (Pty) Ltd.
P.O. Box 6851
Bloemfontein
9301

17 November 1999

ATTENTION : MR KULU FERREIRE

Dear Sir

REPORT ON COMPANY AUDIT : COUNTRY BIRD (PTY) LTD.

We have completed the company audit in Country Bird. The company audit was done from 4 November 1999 to 16 November 1999. During this period the following sites were interfaced with :

- Botshabelo Broilers
- Botshabelo Abattoir
- Kelly's view
- Tigani complex
- Supreme Branch Bloemfontein
- Supreme Branch Kimberley
- Supreme Branch Klerksdorp
- Country Bird : Head office

The company audit involved different staff members from different levels and we found your staff open and willing to participate and would like to thank you for your organising the different sites.

We used basic interventional tools like interviews with organisation diagnostic questions and evaluations to obtain relevant information. The information have been processed and will together with our evaluations and interpretations of people's input and present systems in the company form the basis of the company audit.

The audit will reflect the following :

- General areas of constraints.
- Synopsis interpretation per site
- Suggested interventional programme.
- Conclusion.
- Suggested budget.

The areas of constraints that have been identified are mainly in the following :

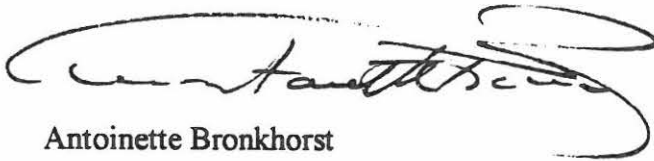
- Organizational related constraints.
- System related constraints.
- Employee related constraints.

The constraints that were identified during the company audit will need a holistic and integrated approach and the involvement of all employees in Country Bird.

To enable the company to meet the challenges of it's change management process, the leadership of Country Bird will have to harness all the skills and experience in the different levels and create a supportive and participative management environment to allow the employees to buy into the change management process with the necessary commitment.

Please refer to the company audit for more detail.

Kind regards



Antoinette Bronkhorst

COUNTRY BIRD (PTY) LTD.

COMPANY AUDIT

Compiled by : ABM Management Consultants CC.

Contents.

1. Purpose of company audit.
2. General overview of Country Bird.
3. Areas of constraints.
 - 3.1 Organizational related constraints.
 - 3.2 System related constraints.
 - 3.3 Employee related constraints.
4. Synopsis interpretation per site.
5. Conclusion.
6. Suggested interventional programme.
7. Suggested budget with assistance from CF Fund.

1. Purpose of company audit.

The purpose of this audit was to identify within Country Bird the different constraints that prohibit the company from achieving the expected growth potential as well as to determine from the perspective of the employees on different levels what prohibit them to feel part of the change process and what prohibit them to achieve the “ best practice” and operational excellence.

Key aspects like : Management and staff efficiency.

Communication

Interdepartmental co-operation

Motivational levels

Change management

Participative management

were focus on during the company audit.

2. General overview of Country Bird.

Country Bird is seen as a well established company within the poultry industry, however, the importing of frozen chickens place a tremendous pressure on the company to achieve acceptable profit margin.

The company has broaden its capacity in opening up new breeding farms (Kelly’s view and contract breeders), as well as an additional abattoir in the Tigani complex.

Country Bird was one of the first companies to be established in the Botshabelo Industrial complex. At present there are different cultures within Country Bird due to the different changes of mother companies and this also tends to influence the effectiveness of the change management process.

Country Bird has a well established market with quality products and they provide excellent facilities to their staff.

3. Areas of constraints and recommendations.

3.1 Organisational related constraints :

Strategical goals and objectives.

Strategic goals and objectives are set by senior management, however these strategic goals and objectives are not communicated effectively through to the different management and operational levels of the company.

The employees on different levels perceive senior management unwilling to utilize their employee's expertise and knowledge in determining the strategic development of the company.

Employees are uncertain about the direction of the company and feel that management is not transparent enough. This tends to influence the trust relationship between the different management and employee levels.

Organisational structure.

The organisational structure has been re-structured to enhance the more effective running of business units. Centralised functions were decentralised to enable the different units (sales branches and complexes) to run their own business units and to report on key issues.

The authority and responsibility lines are clear, however it is not always utilized correctly, especially by middle and senior management and this tends to lead to confusion and frustration.

Performance Profiles/Job descriptions.

Limited job descriptions or job profiles are available on the different levels in the company. This tends to lead to uncertainty regarding performance parameters of each job and the actual performance of employees can not be measured and acted upon. The job description or performance profiles should encompass measurable criteria for all key result areas.

People also perceive management not to acknowledge good performance and only focus on people's performance when there is a problem.

Staff on lower levels especially, seldom receive feedback on how they perform. They need to know their operational parameters and this will enhance their security and their commitment to operational objectives.

Job descriptions or performance profiles are an excellent tool to assist in the drawing up of a logical and realistic operational framework that can be used to develop the expertise of the employee and to improve key business ratios.

Communication.

Communication is seen as a major concern throughout the company. Perception exists that senior management takes decisions and do not inform the key team/individuals who need to execute these decisions or those on whose performance or work methods it will have a direct effect on (mushroom effect).

There must be a limited feedback or reporting process and management must put in place communication tools to ensure feedback on key issues are communicated effectively through the different levels for eg.

- Monthly staff meetings.
- Green areas / best practise.
- Company news letter.

This involve the logical setting of management routines on the different levels as well as developing the communication skills of the managers to inform and involve staff on key issues.

Production sales meetings are held regularly however only direct operational activities are discuss but no feedback is given on results of company or new developments etc.

Interdepartmental co-operation.

There seem to be a silo effect through the company and this leads to :

- Limited co-operation.
- Limited communication.
- No team cohesiveness.

The uncertainty regarding operational parameters and authority parameters is influencing the effectiveness of information flow and co-operation. There seem to be a very loose team structure which is not operating as a unified and motivated team through the company.

The silo effect as well as the different corporate cultures (Senwes, Collusus, Country Bird) are negatively influencing the actual understanding of the different business processes and limitations of certain processes.

Employee involvement in problem solving and decision making.

At present there is limited involvement of different levels of employees in the problem solving and decision making process on all levels.

This is due to the perceived loose structure and the lack of participative management as well as the existing silo effect that stiffens good corporate governance.

Succession and career planning.

There is no formal or informal policy regarding career planning for staff. At present the employees are unsure of their future expectations or own career development. Some employees on different levels perceive their future as insecure and bleak.

There should be a focus to develop all key positions and to set up a skills and knowledge requirement plans for present incumbents and if no suitable candidates are available sourcing for such a person must commence (internal or external).

Management style.

The present management style in the company is informal and differ widely from the previous style.

This new management style is not always seen as effective and not all employees feels comfortable with new management style as they have not bought into the change management process as yet [refer lack of communication ; refer silo effect].

The management style is seen as loose and boundaries are unclear and people are seen to be doing what they want (silo effect) and not working together for the good of the company.

The three different corporate cultures (Country Bird, Senwes, Colussus) also influence the “best practises” negatively.

Management are seen to be competent however they are not implementing the basic elements of participative management.

The change management process is negatively influenced by these inability to involve, participate and utilize people who will and must be the change agents.

Management are seemed to be far removed and is not always trusted. Due to once again ;

- lack of communication
- lack of participative management.

And this also tends to cloud the perception of management transparency.

Industrial relations and personnel policies.

The trust relationship between the different races seem to be very sensitive. As expected the industrial relationships especially on the Botshabelo farms and abattoir is more negative than on the other sites due to the previous strike.

This situation throughout the company is also further influenced by the inability of management to implement and follow through on :

- Cohesive team management.
- Participative management.
- Effective communication.

The affirmative policy is seen to be not effective as some key appointments are not fully accepted by the rest of the company, especially middle management.

The personnel policies need to be broaden to include for eg:

-Training policies and procedures.

-Performance appraisals with link to process of continuous improvements.

These policies need to be draw up with all relevant roleplayers and they must be actively part of the effective implementation.

Staff, especially black staff, doesn't perceive themselves as part of Country Bird. They perceived management as unorganized and inconsistent in their handling of business and staff issues.

Staff are also seldom involved in the solving of operational problems.

Lower staff levels are unaware of who is senior management and they seldom receives relevant company information.

The strike polarized relationships and they feel insecure and perceive a syndrome of us versus them.

Marketing.

- Marketing is seen not to be effective i.t.o.
 - i) Companies image regarding social projects.
 - ii) Broad penetration of black consumer markets (developing new customers)
 - iii) Clear marketing strategies.

- Marketing is seen to be purely a sales function.
- Determining of prices : Prices are determined by the Marketing/Sales staff at Head office. The sales branch manager have limited freedom to adjust prices. Sometimes the Direct Sales sell loads cheaper to load or wholesale customers and these “load” customers can enter the sales area of branch and sell it cheaper than supreme branch.
- Sales representative’s time to develop new customer base is limited.
- Product is perceived to be good in the market.
- Product mix is a problem – capacity to manufacture a specific item is limited due to the process. Sales do not always understand.
- Allocation of stock done by Direct Sales / Marketing, seen to be unfair. (They determine the price and stock).

3.2 System related constraints.

Remuneration system.

Sales commission:

At preset a new commission structure was implemented with the sales staff.

The previous system was based on actual Kg sales and the new system on profit.

Although in a business sense this new system made sense it has a demoralising effect on the sales staff. They perceived it as a penalising factor and they were not involved in the actual discussions on the why’s and how’s. There was also no phasing in period so that they could adjust their own financial planning. They feel left out in the cold especially some other small benefits are also taken away like for eg:

- Use of company vehicle
- Food/road money

They perceived these changes to be threatening and that the company is marginalising their positions. They perceive their future with Country Bird to be limited.

Incentive scheme : Operational level (workers).

Due to the ramifications of the strike the incentive scheme was cancelled. The workers view this as negative and would like it to be re-installed. This has also influenced production negatively.

Management information systems.

At present there exist an expansive management information system that culminate in a wide range of reports.

Some of the reports are used extensively but some administrative and financial reports are seen not to be used by management and the feasibility of those reports are questioned. Employees do not always know why these information must be processed and how does it link up to the effective management of the company.

Planning systems.

* Strategical planning: -

The perception exist in the company that senior management (previous Senwes) did not have the relevant industry expertise to set up Kelly's view and Tigane. This has resulted in creating operational constraints for the management teams involved regarding :

- the effectiveness of equipment
- operational capacities.

Management (middle to senior level) are not seen as pro-active but rather as crisis management. This tends to demotivate their team members as they perceive the planning abilities of management as ineffective.

The problem experienced initially with the contract growers are also seen as result of the inability of management to strategise.

Operational planning.

Operational planning systems exist on the farm and the abattoirs, however the communication and co-operation between these two units especially Botshabelo influence the effectiveness of the planning process.

There seem to be a lack of understanding on both sides for the actual operational realities.

Operational effectiveness.

- Too high production costs is seen as one the major contributing factor to business units not achieving their yield objectives.
- Another factor is the logistic factor to move chickens from different farms to abattoirs. Hestony transport has also contributed to logistic problem in not supplying trucks as planned.
- Operational infrastructure (machine, equipment and layout) in Tigane contribute to the non achieving of business objectives.
- High cost of chicken feed with vaccines also contribute to high cost and influence yield. The ability of Country Bird to negotiate for more competitive price is limited (Supplier part of group).
- Designing of nest boxes and illumination at Kelly's view are contributing to the non achieving of yield objectives.
- Price and imported chickens also influence profitability.

Training system.

At present Country Bird is spending a lot of time and money to train some key members. However, the perception exist that there is no actual plan behind the training and there was no skills audit or needs analysis to determine what skills and knowledge are required or what skills will add real value to the job function or department.

The need exist for more custom based training. The involvement of the management and staff in determining the training needs of a particular business unit must be enhanced.

3.3 Employee related constraints.

Senior Management : Senior management is seen as functional competent however they need training in :

- Managing their staff effectively
- Behaviour skills
- Interactive management
- Developing a winning team
- Management routines.

Middle management : Seen as relative competent in functional skills, however need training and development in :

- Operational planning and controls
- Developing a winning team
- Business excellence (Budget controls; Key business ratios; reporting and feedback)

Foreman / Section Controllers : Experienced in their functional tasks however certain functional skills need to be reviewed (refer job descriptions, operational parameters and skills development plan).

They also need training in the following :

- Develop a winning team (include basic behaviour skills)
- Managing a business unit
- Line or site balancing and control

Administrative and financial staff

Although employees are well versed in their functional duties it was identified that they need computer based training – how to utilize their system more effectively to enable them to be more accurate and to better understand what reports to print and why.

Labour

The workers need more info on company processes and they need to improve their functional skills on the job

They also need to be made aware of actual money implication of certain behaviour or operational cause effects.

5. Conclusion

Country Bird is in a process of change which influence all aspects of the business. To manage this process of change successfully, it demands innovative and inspirational leadership.

Based on the perceptions of employees (management, supervisory and worker level) and our own evaluations, the successful management of the process of change with in Country Bird, which was stimulated by the :

- new senior/executive management
- re- structuring of business units
- economic demands

are being influenced by :

- Lack of vision to integrate divergent groups within the company into a new focus/ideal.
- The perceived lack of participative management principles throughout the different management levels.
- The perceive inability from senior and middle management to adapt their respective management styles to the maturity level (high to low) of their respective team members.
- The perceived low team cohesion throughout the company.
- The limited communication flow vertical and horizontal throughout the company (silo effect).

The above constrains are not unique to Country Bird as all companies during a transition or change process do experience these constraints.

Gouillart and Kelly refer to transformation as a “time when corporations leave the secure walls of the castle and step into unexplored territory”.

“Though the dynamics of success may eventually lead to elation, it’s not much fun in the initial stages. There are walls of reluctance and denial to break through, old values to discard and new one’s to assimilate”.

6. Suggested interventional programme.

To ensure the success of the change management process the following interventional recommendations can be made :

To ensure that the employees on all levels are on board of the change management process :

- 6.1 Determine a vision for the company through a consultative process.
- 6.2 Communicate the vision throughout the company effectively.

- 6.3 Set or re-confirm strategic goals and objectives with relevant key staff and operationalize it down to the different levels.
- 6.4 Implement a organisational support structure through ;
 - Re-confirm authority and accountability in new structures.
 - Draw up and implement job descriptions with measurable operational parameters and obtain agreement with incumbents.
 - Broaden the operational parameters to include results of ;
 - People management like :
 - Absenteeism
 - Lost hours
 - Improving skills level of staff
 - Team development like for eg. projects for continuous improvement on the shop floor.
 - Strengthen the management routines down to the lowest level of management.
- 6.5 Implement a communicative network to keep employees abreast with news re. problem, progress and relevant info via :
 - monthly staff meetings,
 - In-company news letter.
- 6.6 Implement a process of continuous improvement throughout the company through :
 - Integrated quality management system (international recognised quality accreditation).
 - Implement best practises in the company as this will affect and involve the shop floor workers, supervisors and management to challenge the status quo and it will invariably change the way things are done (could also be on the Green Circle concept).
- 6.7 Develop aggressive marketing strategies with specific focus on the development of new customer bases and facilitate the implementation with sales and marketing departments.
- 6.8 Audit the skills levels throughout the company and draw up :
 - Company skills plan.
 - Align operational standards / parameters with enterprise and/or industry standards.
- 6.9 Develop and implement custom based management and supervisor training modules to address :
 - Management skills needs.
 - Strategical and operational planning and control.
 - Developing a winning team.
 - Behavioural skills.
 - Participative management.
 - Supervisor skills.
 - Operational planning and control.

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- Basic business principles (Money – go-round)
 - Building a winning team.
 - Worker level.
 - Expand business excellence projects to all sites.
- 6.10 Implement a profit sharing bonus and best practise operational strategy to improve productivity and efficiencies.

7. Suggested Budget.

ABM believe that the only way to achieve business excellence is through successful people development and empowerment.

We follow a holistic and integrated approach to assist the company to overcome the identified constraints. We become involved with the company on strategic, functional and employee development levels.

Our approach is unique in this sense that we facilitate the continuous improvement process on the different sites as well as with the training and development projects. We implement the training and coach the different team members to ensure successful implementation as well as ensuring with senior management, that the necessary support structures and management environment are in place, to ensure and accelerate the continuous improvement process and the achieving of strategical growth objectives.

We could assist you with the implementation of your suggested interventional programme.

The development programme would be based on the suggested interventional programme.

Our cost structure would be determined by the hours involved with a specific interventional activity with the travel and accommodation costs included.

The extend of our involvement and an affordable budget will be negotiated with you.

As previously discussed with you this development project can use the Competitive Fund to obtain a 50 % cost sharing grant system.

We could also expand the development project to encompasses the use / outsourcing to other consultants re :

- Market survey
- Implementation of company values etc.
- Business excellence (lower level) programme.

We look forward to discuss the above with you.

Kind regards

Antoinette Bronkhorst

<p><u>INTERPRETATION CATEGORY</u></p> <p>Overview and general interpretation</p>	<p><u>SITE: ABATTOIR</u> <u>LOCATION:</u> <u>HARTBEESFONTEIN</u> <u>TIGANE</u> <u>TYPE: PROCESSING PLANT</u></p> <p>A new complex with serious infrastructure constraints like for eg:</p> <ul style="list-style-type: none"> - Capacity problem with cooling system. - Equipment imported from England. - Layout of abattoir - Water
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Management style	<p>Complex manager: New in position, however , it seem that she follow a high relationship and low task behavior (S4).However, the processing manager has limited managerial skills and this tend to influence his effectiveness in running his key business ratios and his team development skills.</p> <p>Maintenance manager is functional competant,however he must still commit to the complex manager's new management style, he tends to operate on his own and overspend on his maintenance budget without authorisation or involvement of complex manager.</p>
Communication	<p>Communication flow is limited from Head office, management of Tigane need more information regarding the vision of Country Bird and the growth objectives and progress. Communication flow within Tigane is improving – new management.</p>

Motivational level	Motivational level of staff in general is relatively good. This is due to new complex manager. Middle management must still commit to the new management style.
Management routines	Management meetings takes place every Tuesday with official action list and report back on key business issues.
Job descriptions /performance appraisals	Limited job description are available. Lack of operational standards per job category. Performance appraisals not in place.
System	Maintenance planning system is in place. Logistic system a problem (Hestony transport)
Team cohesion	Team must still develop due to new management. Operational team cohesion relatively low as management style of processing manager influences his team cohesiveness and participative management.

Interdepartmental co-operation	<p>Interdepartmental co-operation within processing plant relatively good, however friction sometimes exist between maintenance and processing whenever major maintenance breakdowns occur. No relationship exist between clinic and processing manager.</p>
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Operational efficiencies	<p>Not achieving Yield target of 81,5 % actual yield is 74 %.</p> <p>Operational constraints:</p> <ul style="list-style-type: none"> - Capacity problem due to machinery and equipment constraints. Need to achieve minimum of 245 000 chickens per week. - Contract growers are slowly coming into the production process. - Overhead costs too high. - Waste too much water. - Limited production management skills of processing manager. - Not managing his key business ratios. - Not addressing key issues. - High overtime cost on maintenance side (R86 000). - High transport cost 21c/Kg versus 16c/Kg due to inconsistent planning of Direct Sales
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Training needs	<ul style="list-style-type: none"> - Management skills enhancement. - Supervisory skills. - Behavior skills. - Need custom based training.
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SYNOPSIS INTERPRETATIONS PER SITE

<u>INTERPRETATION CATEGORY</u>	<u>SITE: SUPREME BRANCH LOCATION: BLOEMFONTEIN TYPE: SALES DEPOT</u>	<u>SITE: SUPREME BRANCH LOCATION: KLERKSDORP TYPE: SALES DEPOT</u>	<u>SITE: SUPREME BRANCH LOCATION: KIMBERLEY TYPE: SALES DEPOT</u>
Overview and general intepretation:	Branch has several problems, seem to be unstable regarding relationships and trust is limited between staff on all levels.	Branch seem to be stable, i.t.o. relationships, however, management and workers (black) trust relationship could be improved.	Branch stable i.t.o. relationships. Staff experienced with long service.
Management style	No participative management style, tend to demotivate staff. This style works right through admin, sales and despatch. (Follow the leader). Branch manager has a high task behavior and low relationship behavior (S1).	Participative style - hand on - good relationship with staff - good customer relationship - good administrative management Follow a S2 leadership style.	Experienced manager. Follow a limited participative style. Perceived to pro-active rather than active. Administrative, financial and budget control well established.
Crisis management in admin/financial	Do not involve staff in problemsolving or decision making process.		
Communication	Limited. Have meetings where price, debtors are discussed. Limited feedback from company results or progress on new developments. Change management not filtered through.	Branch : relatively well – give feedback if branch manager receives it from her supervisor. Head office : Limited silo effect. Change management not filtered through.	Branch: – relatively well between black and white. Head-office: – Limited silo effect. Change management not filtered through.

<u>Motivational level</u>	<p>Relatively low: Due to</p> <ul style="list-style-type: none"> – Aggressive management style – No participation in relevant problemsolving and decision making processes – Commission structure of sales staff – Inconsistency in dealing with staff in for eg. work hours, leave – Additional job loading with no extra pay/benefits. 	<p>Relatively good due to a more participative style. However, the black staff involvement in problem solving and decision making process needs to be enhanced. Management seem to have a problem in managing the black staff (culture differences).</p>	<p>Admin and financial staff good. Sales staff – demoralised due to</p> <ul style="list-style-type: none"> – commission re-structuring – other benefits taken away – manage as if their maturing level is low.
Systems	<p>Sales system (Impact) not integrated. Credit payments slow. Inventory system is tedious.</p>	<p>Lack of technical advanced system for eg. internet banking etc.</p>	<ul style="list-style-type: none"> – Credit notes not on Encore system – Inventory control system not on Encore. Follow a tedious system at present.
Team cohesion	<p>None Trust – Low</p>	<p>Good – office and sales staff. Limited cohesion with black distribution or store staff</p>	<p>Good except for low motivation of sales staff.</p>
Interdepartmental co-operation	<p>Relatively well, although sales and distribution do have problems regarding :</p>	<p>Branch – well. Direct sales/ marketing – problematic. They decide price and product mix</p>	<p>Branch – Good Direct Sales : Problem price deciding stock allocation</p>

	<ul style="list-style-type: none"> - Invoicing - Wrong info entered into computer - processing mistakes <p>Head office do not always inform them that they will be locked out of system – loose reports.</p>	allocation.	
Management routines	<p>Sales – once a week meeting Admin – only when there is a demand</p>	<p>In competition with sales branches, unfair advantage.</p> <p>When and where needed with sales and admin (small team) Workers : 1 x month</p>	<p>Sales – once a week Admin – daily Workers – once per month</p>
Job descriptions and performance appraisal	<p>Limited job description. No performance appraisal. Limited feedback on performance. Lack of operational parameters.</p>	<p>Limited job description. Work procedures in place. No performance appraisals. Lack of operational parameters.</p>	<p>Some job descriptions are available although not for sales staff. Lack of operational parameters. Limited performance appraisals.</p>

Operational effectiveness	<p>Difficulty in achieving sales targets and margin due to :</p> <ul style="list-style-type: none"> - price competitiveness - Direct sales - High cost of branch <p>Shrinkage/stock or inventory control relatively low although quantified could be high value over 12 months.</p> <p>Absenteeism – relatively high for sales branch no figures available (%) – only at Head office.</p> <p>Debtors a problem</p> <p>Sales reps time for developing market limited</p>	<p>Achieving targets and margins 96 %.</p> <p>Operational constraints:</p> <ul style="list-style-type: none"> - Transport - PRICE - Availability of product mix. <p>Need more contact between production and sales to understand underlying constraints.</p> <p>Direct sales influence her sales environment directly via better prices to wholesalers or “load” customers.</p> <p>Commitment of black staff</p>	<p>Achieving 83% of targets and margin.</p> <p>Operational constraints:</p> <ul style="list-style-type: none"> - Space - Transport – old vehicles - Price - Small chicken farmers selling directly to town customers. <p>Inventory control system.</p> <p>Limited capital to invest into infrastructure.</p>
Training needs	<p>Management skills</p> <p>Behavior skills</p> <p>Team development</p> <p>Computer – functional training.</p> <p>Not involved in determining training needs.</p>	<p>Not involved in determining training needs. Need to be planned properly. Need training in Team development.</p>	<p>Management skills for senior and middle management (behavior skills)</p> <p>Team development.</p>

<p><u>INTERPRETATION CATEGORY</u></p> <p>Overview and general interpretation</p>	<p><u>SITE : KELLY'S VIEW</u> <u>LOCATION: BLOEMFONTEIN</u> <u>TYPE: FARM</u></p> <p>Kelly's View is a relatively new site with inherent constraints like :</p> <ul style="list-style-type: none"> - Nest boxes - Layout in poultry houses - Lack of management skills - No team cohesion 	<p><u>SITE : BOTSHABELO</u> <u>BROILERS</u> <u>LOCATION : BOTSHABELO</u> <u>TYPE : FARM</u></p> <p>Botshabelo farm is well established although the strike did influence :</p> <ul style="list-style-type: none"> - Team cohesion - Production efficiency. 	
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Management Style	<p>Kelly's View was negatively influenced by previous management style and lack of management. However, there is a new management team in place and they as yet (\pm 3 weeks) didn't have time to determine a new management style and routine. The new senior management will need a lot of support in developing their respective teams.[Culture difference).</p>	<p>Management style in general on farms are not geared for full participative management especially to foreman and worker levels.</p> <p>Some employees (management and workers) feel not part of management team and do not experience enough guidance by management, they feel no leader is in place.</p> <p>The management style of the farm service manager is high task behavior and high relationship behavior (S3).</p> <p>The site manager tend to have a high task and high relationship behavior style (S2).</p> <p>There is limited involvement from their teams.</p>	
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<p>Communication</p>	<p>Communication is poor between departments. There is no trust between managers and with the element of new management and re-structuring there are underlying emotional and stress related concerns and attitudes. Production meeting is once a week. Discussion of basic business ratios relevant to Kelly's View. Limited communication flow via Head office. Silo effect in place.</p>	<ul style="list-style-type: none"> - Communication is fair between managers. However, foreman do not follow through to ensure effective communication to staff. - Production meeting takes place once a week. - There exist also to a certain extent a silo effect on the farm. 	
<p>Motivational level</p>	<p>Poor. This is probably due to :</p> <ul style="list-style-type: none"> - Re-structuring - New management - Non-participative management style of senior management. <p>No trust between the employees. Workers feel deprived because of no incentive scheme.</p>	<p>Management level : Fair Site foreman : Fair to poor. Workers: Poor</p> <p>The relatively low motivational level is probably due to:</p> <ul style="list-style-type: none"> - Non participative management style. - Limited communication from Head office. - No incentive scheme for workers - Insecurity of staff. - Re-structuring. 	

System	<p>Feeding system : Chicks body weight below norm due to employees not trained properly. The feed increment was also below standard.</p> <p>Management must implement and broaden management control systems.</p>	<p>Planning system : Botshabelo and farm do not always co-ordinate effectively.</p> <p>Staff planning and allocation:</p> <ul style="list-style-type: none"> - unsure of structure - workers are unsure where they belong - no team building can take place. <p>Information system is well established re : reporting on key business issues.</p>	
Team cohesion	<p>None due to :</p> <ul style="list-style-type: none"> - new management and re-structuring. - Union rivalry - Previous management styles - Non participative management style of senior manager (complex manager) 	<ul style="list-style-type: none"> - Management team need to be more developed – limited cohesion. - Farm see itself as far removed from Head office. - Not part of change management process. 	
Interdepartmental co-operation	<p>Limited with in Kelly's View.</p>	<p>Within departments of farm the co-operation is fair.</p> <p>Co-operation between farm and abattoir sometimes a problem due to :</p> <ul style="list-style-type: none"> - Planning system inadequate from abattoir. - Lack of communication and 	

Operational efficiencies	<p>Kelly's View due to its inherent constraints is not achieving their targets. Target is 160 /chick Actual is 68/chick.</p> <p>Operational constraints :</p> <ul style="list-style-type: none"> - Nest boxes too high result in high % of floor eggs. - Equipment regarding: <ul style="list-style-type: none"> - Feed system - Water nipples not operating correctly. - Lack of functional skills of workers. - Lack of management skills. - High maintenance costs. - Illumination in poultry houses. 	<p>Botshabelo achieves on average their operational targets although it can be improved. Operational constraints :</p> <ul style="list-style-type: none"> - Planning system of abattoir. - Farm culture – need to change to a business orientated culture. - Non participative management style from senior management and Head office. - Change management, people didn't buy into process as yet. - Demotivation of workers. 	
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Training needs	<ul style="list-style-type: none"> - Training must be custom based for Kelly's View. - Management must be involved in determine training needs. - Management lack in : <ul style="list-style-type: none"> - Operational planning and control skills. - Budgetary control. - Behavior skills. - Team development. - Supervisor lack : <ul style="list-style-type: none"> - Basic supervisor skills. - Operational planning and control. - Operators lack in : <ul style="list-style-type: none"> - Functional skills - Business awareness. 	<p>Management need training in :</p> <ul style="list-style-type: none"> - Develop a team - Behavior skills <p>Site foremen need training in:</p> <ul style="list-style-type: none"> - Operational planning and control. - Develop a team. - Managing a business unit. <p>Operators level :</p> <ul style="list-style-type: none"> - Need to be orientated to understand implications of activities on the money making processes in Country Bird. <p>Functional training (continuous improvement process).</p>	
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<u>INTERPRETATION CATEGORY</u>	<u>SITE: HEAD OFFICE</u> <u>LOCATION: BLOEMFONTEIN</u> <u>TYPE: MANAGEMENT AND ADMINISTRATION</u>	<u>SITE: ABATTOIR</u> <u>LOCATION: BOTSHABELO</u> <u>TYPE: PROCESSING PLANT</u>	<u>SITE: ABATTOIR</u> <u>LOCATION: HARTBEESFONTEIN TIGANE</u> <u>TYPE: PROCESSING PLANT</u>
<p>Overview and general interpretation</p>	<p>Head office seen to run on a loose structure. Corporate culture differences are influencing the effectiveness of “best practises” especially in the accounts and administrative departments. (Previously Senwes, Colusus and Country Bird).</p>	<p>Botshabelo is a well established processing plant with some inherent constraints i.t.o.</p> <ul style="list-style-type: none"> - capacity constraint to improve throughput from 55 000 per shift. - Management skills shortage on middle and lower levels. - Strained relationships between management and workers level [black versus white] 	<p>A new complex with serious infrastructure constraints like for eg:</p> <ul style="list-style-type: none"> - Capacity problem with cooling system. - Equipment imported from England. - Layout of abattoir - Water

Management style	<p>Management style is non participative and not conducive for team development or cohesion. Employees feel removed from change management process. Management style is informal, however it seem that there is no structured support system :</p> <ul style="list-style-type: none"> - operational procedures - operational parameters - feedback on performance 	<p>Complex manager : It is perceived that his management style is informal (open door policy) however it is not a participative manager style and he is seen as a high relationship behavior and low in task behavior (S4). However, his subordinates maturity levels do not always support his management style.</p> <p>Processing manager: He tends to not follow a participative management style. He follows a high task and low relationship behavior. This tends to influence his team cohesion and effectiveness. There is also a limited trust relationship.</p> <p>Administrative manager: Seem to be functional skilled however his management style is perhaps high task behavior orientated and high relationship behavior (S3). The perception of senior management by the different levels are :</p> <ul style="list-style-type: none"> - non participative - limited team development 	<p>Complex manager: New in position, however , it seem that she follow a high relationship and low task behavior (S4). However, the processing manager has limited managerial skills and this tend to influence his effectiveness in running his key business ratios and his team development skills. Maintenance manager is functional competant, however he must still commit to the complex manager's new management style, he tends to operate on his own and overspend on his maintenance budget without authorisation or involvement of complex manager.</p>
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Management routines	<ul style="list-style-type: none"> - On demand, when needed - Management are not seen as effective managers however, they do perceive them functionally competent. 	<ul style="list-style-type: none"> - Once per week – production management meeting. - Daily meetings between departmental manager and operational staff. - Departmental manager and section controllers only meet when needed and then it is only high task behavior and no participative management. 	<p>Management meetings takes place every Tuesday with official action list and report back on key business issues.</p>
Job descriptions /performance appraisals	<p>No job description are in place or are being used as a management tool. Performance appraisals system is also not in place.</p>	<p>Limited job descriptions are available (for eg. for factory manager but not for section controllers. Limited operational parameters exist. No performance appraisals only on middle management (Factory manager and administrative manager) and that was not fully completed or agreed upon. System of appraisals are not in place. Lack of operational parameters.</p>	<p>Limited job description are available. Lack of operational standards per job category. Performance appraisals not in place.</p>

Communication	Communication is a major problem. Decisions are being made with no feedback. Influence the effectiveness of “ best practises”.	Communication flow is limited from senior management down to lower levels. Silo effect exist. Motivation level of staff in general is medium to low.	Communication flow is limited from Head office, management of Tigane need more information regarding the vision of Country Bird and the growth objectives and progress. Communication flow within Tigane is improving – new management.
Motivational level	Relatively low . Do not perceive they are part of the change process. Management do not involve their expertise and skills.	Staff on all levels not highly motivated due to: <ul style="list-style-type: none"> - different management styles ineffectiveness. - Lack of communication - No team cohesion - Low trust relationship - Lack of career development - Management do not always follow the correct channels of authority and responsibility 	Motivational level of staff in general is relatively good. This is due to new complex manager. Middle management must still commit to the new management style.

System	Impact system not fully operational. Information system is broad with a wide range of reports. Questionable if management is using all the info to make informed decisions. Strategic planning system not always effective.	Financial and production information systems accurate and well reported. Logistic system (with Hestony) appears to influence planning negatively and influence key business ratios like: <ul style="list-style-type: none"> - Mortality - Dead on arrivals 	Maintenance planning system is in place. Logistic system a problem (Hestony transport)
Team cohesion	Limited – loose team structure. Need to be developed.	Senior management level to middle management limited cohesion. Middle management down to lower employee levels also limited. Black middle management perceives racism in the non accepting of blacks in management position. Must always have a white person in charge is perception by white management	Team must still develop due to new management. Operational team cohesion relatively low as management style of processing manager influences his team cohesiveness and participative management.
Interdepartmental co-operation	Limited. Silo effect. Limited financial and administrative procedures so it seem that each person do what they like.	Within the process the interdepartmental co-operation is good, however co-operation between the farms and abattoir is sometimes limited. Perception of ineffective planning and lack of communication.	Interdepartmental co-operation within processing plant relatively good, however friction sometimes exist between maintenance and processing whenever major maintenance breakdowns occur. No relationship exist between clinic and processing manager.

<p>Operational efficiencies</p>	<ul style="list-style-type: none"> - Do not perceive head office as very effective. - Financial reporting dates are being met. 	<p>Achieving yield targets. Actual – 80 %. Budget 81,5 %. However, recoverage budget is 95 % actual recoverage 65 %.</p> <p>Operational constraints.</p> <ul style="list-style-type: none"> - High labour involvement – high cost. - High volumes do not allow for effective maintenance. - Low team cohesiveness. - Cultural differences. - Limited Supervisors and managerial skills. - Union rivalry influence relationships and processes. 	<p>Not achieving Yield target of 81,5 % actual yield is 74 %.</p> <p>Operational constraints:</p> <ul style="list-style-type: none"> - Capacity problem due to machinery and equipment constraints. Need to achieve minimum of 245 000 chickens per week. - Contract growers are slowly coming into the production process. - Overhead costs too high. - Waste too much water. - Limited production management skills of processing manager. - Not managing his key business ratios. - Not addressing key issues. - High overtime cost on maintenance side (R86 000). - High transport cost 21c/Kg versus 16c/Kg due to inconsistent planning of Direct Sales
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Training needs	<p>Training must be more custom based and must be linked to job description and operational parameters and work procedures (best practises).</p>	<ul style="list-style-type: none"> - Management skills enhancement. - Supervisory skills. - Operational planning and control. - Building a winning team. 	<ul style="list-style-type: none"> - Management skills enhancement. - Supervisory skills. - Behavior skills. - Need custom based training.
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Annexure 2

AGENDA: FORUM MEETING 24 NOVEMBER 2000, at 10H00, PROTEA HOTEL, BFN.

1. Welcome and Apologia
2. Review actions from previous meetings
3. Company Performance
 - 3.1. Strategic Performance
 - 3.2. Financial Performance
 - 3.3. Production Review
 - 3.4. Processing Review
 - 3.5. Marketing Review
 - 3.6. Human Resources Review
 - Sick leave
 - AWOPS
 - Casuals
 - Overtime
 - Health and Safety
4. Organisational Development and InvoComs
5. Consultation on Policy Development
6. Ad-Hoc Issues:
 - 7.1.1 InvoComs at KELLY's VIEW – Amos NTSINTSI
 - 7.1.2 Unfair Practises – Mainline MOKHORO
 - 7.1.3 Salaries (Tigane) – Gerhard MARITZ
 - 7.1.4 New Contracts – Gerhard MARITZ
 - 7.1.5 InvoComs Tigane Admin – Gerhard MARITZ
 - 7.1.6 Factory Shop (Tigane) – Stephen MAKHELE
 - 7.1.7 Suggestions Box – Gerhard MARITZ
 - 7.1.8 Theft – Dan MOFOKENG
 - 7.1.9 Code of Conduct – Dan MOFOKENG
7. Unresolved Departmental Issues per Department

ATTENDANCE LIST: 24 MAY 2000

NAME

PLACE OF WORK

TJAART KRUGER- TNK (CHAIRMAN)	CENTRE
KULU FERREIRA - KF (SECRETARY)	CENTRE
WYNAND SWART - WS	BOTSHABELO
MANLINE MAKHORO – MM	BOTSHABELO
HANLIE SCHREUDER - JCS	PROCESSING
DAVID STOCK – DS	HATCHERIES
VALERIE VAN BILJON - VvB	CENTRE
MIKE BELT- MJB	PRODUCTION
SANNIE DE LANGE - SdL	MARKETING
BRAAM STRAUSS - BS	MARKETING
ANDRÉ REYNDEERS - AR	BOTSHABELO WORKSHOP
BERNARD PRINSLOO – BP	BOTSHABELO ABATTOIR
(ZULU) FOR S. SEPIPI – Z	BOTSHABELO ABATTOIR
ALBERT SISKI – AS	KELLY’S VIEW FARM
DESMOND NTLONTI – DN	BOTSHABELO ABATTOIR
KAIZER PALO - KP	BOTSHABELO HATCHERY
DAN MOFOKENG – DM	CENTRE
AMOS TSHINTSHI - AT	KELLY’S VIEW FARM

Minutes of a Stakeholders Forum that was held on Wednesday, 24 May 2000 at 09:00 in Bloemfontein.

PRESENT: See Attendance list.

TNK welcomed everybody present.

A G E N D A

1. WELCOME, APOLOGIES AND PERSONALIA

<u>Apologies:</u>	Vanessa Gerber	-	Sick
	Ben Busakwe	-	Work commitments
	Ben Ramochela	-	Work commitments
	Gladys	-	Sick
	Teenage Sipipi	-	Work commitments
<u>Resignations:</u>	Adel Venter	-	Personal
	Esther Booysens	-	Retrenched
	Andries Moteane	-	Resigned as Shopsteward (FAWU)

KF to arrange re-elections to replace the following representatives at:

- i. Kelly's View - to replace Esther Booysens;
- ii. Tigane - to replace Adél Venter (Mid Management)
Ben Ramochela (Junior Management)
- iii. Supreme - to replace Andries Moteaoane

KF also to arrange re-elections of labour representatives at Kelly's View and Botshabelo. Wynand Swart (Broilers) replaced Derek Hodgson on the Forum whom was transferred to Tigane.

TNK requested that it is expected from all representatives to be on time and well prepared to ensure positive input during discussions. He also mentioned that it is the right of any representative to resign if wish not to be part of the forum.

2/...

2. REVIEW ACTIONS FROM PREVIOUS MEETINGS

2.1 Minutes of the previous

2.1.2 Matters arising

- | | |
|---|------------------|
| <p>i. TNK asked if all members did receive minutes of the previous meeting in time. TNK said that the distribution of minute must be on time and said it is the duty of the Forum members to contact KF at least a week prior the next meeting if not In receipt of minutes.</p> | <p>ALL</p> |
| <p>ii. <u>Abusement of Sick Leave</u></p> | |
| <p>Dan Mofekeng stated that the abusement issue of sick leave does not appear in the previous minutes. TNK said that KF has to prepare graphs for the next meeting concerning sick leave.</p> | <p>KF</p> |
| <p>iii. <u>Staff Loans</u></p> | |
| <p>JCS indicated that employees are still not satisfied regarding the issue of staff loans and loans based on humanitarian reasons and the Millock issue. TNK proposed an ad hoc committee member to Investigate and describe what is humanitarian reasons and will consist of KF, KP and Lawrence Beukes.</p> | <p>KF
KP</p> |
| <p>iv. <u>Policies and Insurance</u></p> | |
| <p>DS mentioned that Insurance companies do not explain the real benefits to employees, e.g., the monthly payment, the total cover of the policy, etc. He also proposed that basic finance and budgeting skills to be discussed during Invo Coms.</p> <p>TNK mentioned that we have to educate our employees about moral and financial values of life</p> | <p>ALL</p> |

3/...

and that the explanations must be kept short and simple during the InvoComs.

v. Theft

TNK informed the Forum that a syndicate consisting Of several Country Bird employees and others has being caught stealing chicken at Tigane on the 23rd May 2000. He again mentioned how important it Is to bring syndicates and individuals stealing our product to light as it restrain us from a better life.

ALL

vi. Constitution

The Forum accepted the constitution with minor changes. See attached copy of constitution.

3. STRATEGIC ISSUES

TNK again stressed the importance of the company's strategic issues with particular reference to core values and core competencies. The strategic strategy must become everybody's way of live, only then we will be able to build a company that provides us all a better live.

ALL

4. FINANCIAL ISSUES

TNK informed the Forum that the financial results for the fourth quarter is much worse than expected. The estimated loss for the fourth quarter is R8 Million versus an actual of R9,8 Million. He said that Country Bird would close down if carrying on making losses. He urged employees to work harder, smarter and reducing costs, as it is the only way that the company could be safe.

ALL

He also mentioned that the restructuring benefits would come through in May and if the market improves in June, a small profit can be expected. He said that he is very impressed in the manner which the restructuring took place and that the affected individuals understood and accepted the reason why it happened. He said that the company will stay transparent when it comes to the financial figures, irrespective if it is a profit or a loss.

4/...

5. INVOCOMS

TNK explained the importance of InvoComs and mentioned that people must accept the fact that the initial implementation will be difficult and not without pain.

ALL

AS said that he is very satisfied with the implementation of the InvoComs at Kelly's View and that it is a definite way bringing people together, improves Mutual understanding each other and to learn more about the company and Employee involvement in decision making, using B-Style.

DM said that the improvement in communication is not so great as expected. He suggested that the list of Forum members with telephone numbers do get distributed to all employees, to give them the opportunity to air grievances.

TNK again stressed the importance of InvoComs to the Forum and views it as a non-negotiable item. A Code of Conduct will determine and regulate the basic ground rules in which manner the InvoComs will be conducted.

5. AC HOC ISSUES

5.1 Discriminatory Practices (See attached)

The Ad Hoc Committee gives feedback on the following:

i. Advertising

ii. Terms and Conditions of Employment

KF

A Task team to investigate further.

iii. Working Environment and Facilities

➤ Lockers and toilet facilities at Botshabelo and Tigane.
JCS to investigate.

JCS

➤ Task team to give feedback on protective clothing.

KF

➤ Installation of a louder bell at the Centre.

KF/VVB

5/...

v. Training and Development

- Investigate the issue of job descriptions and multi-skilling.

KF

iv. Promotions

v. Discipline

- Arrange training session on case investigation and how to conduct a disciplinary hearing.

KF

- Code of conduct how to handle a disciplinary hearing.

KF

vi. HIV/Aids Prevention Programme

- Clinic Sister to investigate.
- Department of Health.

KF

vii. Medical and Pension Fund

- Investigate total cost involved.
- Complete a "new" pay structure.

KF/BR/VVB

KF

6. PROPOSED EE PLAN

The proposed EE-Plan was accepted with minor changes and will be submitted to the Department of Labour before or on June, 01, 2000.

KF

7. GENERAL

7.1 Sport

MM asked whether it is possible to arrange an inter department soccer league. KF said that he would discuss it with TNK.

KF/TNK

6/...

8. Crèche

AS asked what is the company's involvement in crèches, as it is a very sensitive issue at Tigane.

KF will discuss it with TNK.

8.3 List of meeting dates for the rest of the year

KF

KF to discuss meeting dates with TNK.

Meeting adjourned at 14:30.

CHAIRMAN

SECRETARY

COUNTRY BIRD (PTY) LTD

SURVEY - DISCRIMINATORY PRACTICES

DESCRIPTION	YES	NO	NEUTRAL	TOTAL TESTED
1 RECRUITMENT PROCEDURE	13	109	27	149
2 ADVERTISING POSITIONS	125	70	21	216
3 SELECTION CRITERIA	55	74	20	149
4 APPOINTMENTS	23	123	20	166
5 JOB GRADING & GRADING	65	70	19	154
6 REMUNERATION & BENEFITS	79	83	13	175
7 TERMS & CONDITIONS OF EMPLOYMENT	72	70	16	158
8 JOB ASSIGNMENTS	60	71	22	153
9 WORK ENVIRONMENT & FACILITIES	82	62	14	158
10 TRAINING & DEVELOPMENT	81	58	13	152
11 PERFORMANCE & EVALUATION SYSTEM	76	60	26	162
12 PROMOTIONS	88	51	25	164
13 TRANSFERS	78	53	21	152
14 DEMOTIONS	63	59	22	144
15 SUCCESSION & EXPERIENCE PLANNING	68	45	23	136
16 DISCIPLINARY MEASURES	101	44	13	158
17 DISMISSALS	84	43	12	139
18 CORPORATE CULTURE	58	61	24	143
19 HIV/AIDS EDUCATION & PREVENTION PROGRAMME	97	81	33	211
20 PRE - EMPLOYMENT TESTING	44	65	35	144
21 INDUCTION	34	64	25	123
22 RETIREMENT	66	54	22	142
23 MEDICAL AID	84	71	17	172
AVERAGE	69.3913	67	21	157.3913043

TOTAL PARTICIPATION



EMPLOYMENT EQUITY

Survey Scores (1)

- Discrimination exists following practices:
 - Advertising Positions 57%
 - Terms, conditions employment 46%
 - Work environment & facilities 52%
 - Training & Development 47%
 - Performance Evaluation 48%
 - Promotions 54%



EMPLOYMENT EQUITY Survey Scores (2)

■ Demotions	50%
■ Succession Planning	50%
■ Discipline	64%
■ Dismissals	64%
■ HIV / AIDS & Prevention Prgm	48%
■ Retirement	47%
■ Medical Aid	49%

COUNTRY BIRD

STAKE HOLDER's FORUM

CURRENT PRESENTATION PER FUNCTIONAL DEPARTMENT

Designation	Production	Processing	Marketing	Fin + Admin	HR
Senior Mngmnt	Mike BELT		Tom MILES		Kulu FERREIRA
Mid Mngmnt	Wynand SWART David STOCK Sam LEBALLO Ben GROBLER	Abrie WENTZEL Antonie ROETS Andre REYNDERS Dawie (Tigane)			
Junior Management	Kaiser PALO Amos NTSINTSI Johannes (KV) Phileas (Dealesville)	Steven (Quality Botsh) Puki (Botsh) Jabu (Tigane)	Ester MOLELLE	Vanessa GEMBER	Dan MOFEKENG
Labour / Unions	Johannes RAMPITSANE Lydia (KV) HATCHERIES ????? Manline MOKHORO	Steve FAWU Botsh Philip FAWU Tigane Agnes Kleinbooi Josef CUSA Tigane	Anthony SELOMOGO		

Annexure 3

THE BEST CHICKEN PEOPLE

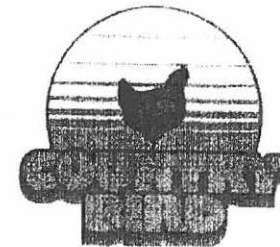
We will dominate the Southern African Broiler meat industry through :

- maintaining size and ROI superiority (low cost)
- being leaders in marketing, innovation and low cost.
- being a place where people want to work.



We will be successful in longterm sustainable growth of volumes and earnings. Internationally we will be used as a benchmark to obtain best practices.

We have an absolutely focused approach to breeding, growing and processing broilers at the lowest cost in the region. Well developed brands are marketed and distributed in fragmented channels which we dominate.



CORE VALUES

We will develop a culture of honesty and integrity amongst all our stakeholders including suppliers, customers and all our people. To be successful in the long term, we acknowledge that strategic relationships need to be developed with key suppliers and customers.

This will be a company where people enjoy working. They will also possess excellent qualities. A work ethic will be developed that inspires people to always be willing to do things better and to improve all the time. A culture of learning, developing and commitment will exist. To achieve this, we will develop participative leadership methods, which enable people to prosper and grow with the company. The company will reward performance.

We will be committed to our country and passionate about supporting our government in efforts to develop communities and build the nation. Diversity is our strength and prejudice is our enemy.

CORE COMPETENCIES

Our core competencies are the foundation to our business. We therefore protect, foster and develop them with a passion.

LONGTERM LOW COST LEADERSHIP

We strive to produce and deliver to our customers, the required quality chicken at the least cost by continuously improving our husbandry, processing and distribution skills. To support these actions, information systems will keep track with requirements.

CHANNEL DOMINATION

We will develop the ability to continuously fragment the market into new channels of distribution, which we then dominate. Through a diverse sales force, we will exploit the combination of own distribution depots and strategic customers to obtain SUPREME prices. It is logical that we will be leaders in market research, competitor analysis, branding and information analysis.

BEST PEOPLE PRACTICES

To obtain our goals we need to develop the best people by :

- Continuously developing and fostering a culture of involvement, communication and commitment.
- Identifying required skills and developing people to have them.
- Develop a succession plan that will ensure available leaders at all levels.
- Always develop people and promote first from within.
- Developing competency-based employment practices, which result in attracting the best people.
- Accepting and promoting the principles of the employment equity bill.

Annexure 4



COUNTRY BIRD

FEEDBACK DOCUMENT FROM THE FIRST KEY LEADER SUMMIT HELD IN BLOEMFONTEIN FROM 24 TO 27 JANUARY 2000, FACILITATED BY TJAART MINNAAR OF O.I.M

Thirty two of the Company's Key Leaders attended during the past week a workshop in Bloemfontein which was facilitated by an outside Consultancy firm called O.I.M. The group consisted of the Managing Director, Tjaart Kruger; a number of senior, middle and junior managers; Shop Stewards of Fawu, Hotelicca and Saapawu; as well as some shopfloor workers.

The goal of the workshop was to talk about the future of the Company, to get input from all levels of employees about the problems which they experience in the business and to discuss plans to overcome these problems.

During the workshop a lot of time was also spend to create more understanding for each other's cultures and different views, and to better understand business and leadership principles. The role of the trade unions in the business and how to improve the relationship between Management and the Trade Unions as well as between the different Trade Unions were discussed.

The following resolutions were taken at the end of the Workshop:

1. All of us want a better life for ourselves and our families. This can only happen if Country Bird is successful. However Country Bird can only be successful if we work together to make it successful. Our focus for the future must be to ensure the survival and prosperity of our Company.
2. A second workshop with more Key Leaders will be held in February to give more employees exposure to the contents of the workshop.
3. After the second workshop a Stakeholders Forum will be established to give input into the further process and to develop and monitor the Company's Employment Equity plan
4. A number of 3-day and 2-day workshops will be held at the various complexes from April onwards with the aim to improve relationships and communication in the business.
5. Extensive Management and supervisory training will commence during March with the aim to improve the Leadership style and skills in the business.
6. Focus will be placed on developing teamwork and the improvement of the involvement of and communication with all employees. The aim is that every employee in the business must be fully informed and must participate on a daily basis in problemsolving in his/her team.
7. All employees will be informed of further developments.

Annexure 5

1. PURPOSE OF THE FORUM

- 1.1 To monitor the organisational development process, including the implementation of InvoComs TM.
- 1.2 To give input in the strategic direction of the Company and to monitor and receive regular feedback regarding progress on the strategy implementation and the financial position of the Company also in comparison with the industry.
- 1.3 To give input in policies that affect people
- 1.4 To give guidance on unresolved people issues from the various departments
- 1.5 To act as consultative forum for ad-hoc company-wide processes, projects and issues, e.g. Employment Equity, Training and Development, etc.
- 1.6 To act as advisory mechanism before final decisions are made by the Managing Director regarding issues that affect people in the company
- 1.7 The scope of the Forum will specifically exclude:
 - 1.7.1 Substantive negotiations with Union
 - 1.7.2 Operational problem solving
 - 1.7.3 Disciplinary and Grievance handling

2. COMPOSITION

- 2.1 The total number of representatives of the Stakeholders Forum will be 25. The Forum may in their discretion nominate an additional five members to ensure that the gender and race composition is representative. Therefore the appointed, elected and nominated total will be at the most 30 members.
- 2.2 The appointed and elected members of the Forum will have the following composition:

	Centre	Botshabello	Breeding	Tigane	Marketing
Senior Management	MD HR Manager	1	1	1	1
Middle Management	1	2 (1 Farm) (1 Factory)	2 (1 Hatchery) (1 Farm)	1	1
Junior Management		3 (1 Farm) (1 Factory) (1 Admin)	2 (1 Hatchery) (1 Farm)		
Unions	0	3 (1 per Union)	2 (1 per Union)	1	1
TOTAL	3	9	7	3	3

- 2.3 All the employees as nominated through the Key Leader Summits will serve in the first term of Stakeholders Representatives. Annexure A contains the full list of representatives for the first term.

3. ELECTIONS

- 3.1 The first term will be a minimum of six months and a maximum of nine months, whereafter an election will be called at the discretion of the Forum. Such an election will not be called later than nine months from 1 April 2000.
- 3.2 The elections and appointments will be done as follows:
- 3.2.1 The Managing Director and the Human Resources Manager will be permanent members of the Stakeholders Forum.
 - 3.2.2 The Senior Management will nominate Senior Managers to represent them and from every functional department to represent them at the Forum.
 - 3.2.3 The junior and Middle Managers will elect from their respective constituency's relevant members to represent them. Such elections will take place through secret ballot.
 - 3.2.4 The Unions will elect their respective members of the Forum through their respective Union constitutions and inform Management of the names of their elected representatives.
- 3.3 After new elections has taken place, a handover period of one meeting will take place during which the old and the new representatives will participate in such a meeting.
- 3.4 Training will be given to the new members according to their needs to be effective and productive members of the Forum.
- 3.5 Termination of representative status
- 3.5.1 The term of office of a representative will be terminated should one of the following occur:
 - 3.5.1.1 Resignation from the Company or termination of service for whatever reason
 - 3.5.1.2 If the employee resigns from the Forum
 - 3.5.1.3 If 50 % plus one of the staff in the constituency that appointed or elected the representative indicate in writing that they have no confidence in the representative
 - 3.5.1.4 If the staff representative is relieved of his / her status through the application of the Forum's Code of Conduct as per par.7.2.
 - 3.5.1.5 If a representative do get transferred within the company, or services do get terminated an election will take place to replace such a representative.



above may notlection during the first general election after such an incident has occurred.

4. ROLE AND FUNCTIONS OF REPRESENTATIVES

- 4.1 Managers are expected to manage their departments, which include the maintenance of structured and open communication channels and timeous attention to staff grievances.
- 4.2 Representatives must elicit input from staff members and give feedback to staff members on policy formulation matters affecting them.
- 4.3 Staff representatives will make sure that proper preparation has been done to effectively represent staff at Forum meetings. This communication may be done via e-mail and / or notice board. The staff representative may convene a meeting if necessary through prior arrangement with the relevant manager.
- 4.4 Staff representatives will ensure that proper feedback is given to staff as soon as possible after Forum meetings have taken place. Time for such feedback will be arranged with the relevant manager. The method of feedback will be through the relevant InvoComs TM.
- 4.5 Representatives will positively support and monitor the decisions of the Forum and will monitor the proper implementation of decisions.
- 4.6 Representatives will attend Task Team / Sub-Committee meetings where required.
- 4.7 Representatives will promote the strategic direction and priorities of the Company.
- 4.8 Representatives will ensure correct facts and information is distributed in the Company and will ensure that rumours based on wrong information are countered.

5. MEETINGS

The following arrangements have been agreed regarding meetings:

- 5.1 Meetings will take place in English, but translation may be used to ensure that everyone express themselves in a language they feel comfortable with.
- 5.2 The Managing Director will act as Chairperson. Should the Managing Director not be able to attend a meeting, he / she will nominate an alternative Chairman.
- 5.3 Meetings will take place once per month, but may reduce in frequency through a decision of the Forum. A meeting schedule for the year will be distributed

- 5.4 The duration of meetings will be for approximately half a day.
- 5.5 Meetings will be held in Bloemfontein. The meeting place may be changed at the discretion of the Forum.
- 5.6 The Human Resources Manager will provide secretarial services.
- 5.7 The secretary will take minutes.
 - 5.7.1 These minutes will reflect decisions made and action plans pertaining to these decisions.
 - 5.7.2 The minutes will be distributed to all members within one week after a Forum meeting, and will be displayed on the notice boards within the Company. Minutes will also be distributed to all Heads of Departments and Shop Stewards.
 - 5.7.3 At the end of every meeting, the list of decisions and actions to be taken will be distributed amongst the members in a hand written format and the typed minutes will be distributed within one week.
- 5.8 Representatives must forward agenda items to the Human Resources Manager two weeks prior to meeting taking place. The agenda will be distributed to all members one week prior to the meeting taking place.
- 5.9 The initial agenda will be as follows:
 - 5.9.1 Welcome and Apologies
 - 5.9.2 Review actions from previous meetings
 - 5.9.3 Strategic Issues
 - 5.9.4 Financial Review
 - 5.9.5 Organisational Development and InvoComs TM
 - 5.9.6 Consultation on Policy Development
 - 5.9.7 Ad-hoc issues
 - 5.9.8 Unresolved departmental issues per department

6. **DECISION MAKING AND DISPUTE PROCEDURE**

- 6.1 Decisions in the Forum will be consensus seeking. If no consensus can be reached, the Managing Director will make a final decision. The decision-making style will thus be B-style (i.e. a final decision will be made by the Managing Director after the input of staff members have been made, different points of views been discussed and explained.)
- 6.2 The Managing Director may request the involvement of outside specialists / facilitators to play a role in creating sufficient understanding of decisions and to guide the Forum members.
- 6.3 Should any representative in the Forum feel that the Managing Director's final decision impacts unfairly on the rights and interests of his / her constituency:
 - 6.3.1 then the decision can be referred to the dispute procedure should the aggrieved party or parties be a Union.
 - 6.3.2 Should the aggrieved party not belong to a Union, then the issue can be taken to the CCMA for further review.



- 6.4 Staff representatives have the right to question decisions and to ask for clear explanations and have the right to disagree.
- 6.5 Once a final decision has been made, it is expected of representatives to support these decisions and the implementation thereof.

7. CODE OF CONDUCT FOR MEMBERS OF THE FORUM

- 7.1 All present and future members will conduct themselves in terms of the following Code of Conduct:

- No taboo subjects during meetings
- Discussions will take place in the spirit of never to hurt, only to learn
- Delegates will make their comments to the point and will be properly prepared
- Representatives will have respect for different views and agree to sometimes disagree
- Be on time
- Attend to attend all meetings, otherwise send apologies prior to the meeting
- Support decisions of the Forum – say your say within meetings, have the right to disagree, but once the decision is made, support the decision
- Don't use authority of the Forum for personal gain
- Don't undermine the credibility of the Forum
- Don't use the Forum positions to undermine Management
- Fulfil the responsibilities of a representative
- Discuss issues inside the meeting – don't complain outside the meetings
- Always keep the vision of the Company in mind during arguing issues

- 7.2 Procedure if deviations from the Code of Conduct occur:

7.2.1 After first deviation

The deviation is discussed in the Forum and minuted. The discussion will be in the form of a problem solving discussion.

7.2.2 Second deviation:

A more serious discussion takes place within the Forum and will be minuted. The constituency of the representative will be informed of the discussion that has taken place. This discussion will again take place in a problem-solving mode.

7.2.3 Third deviation:

After further deviation, a secret vote will be taken by members of the representative forum to decide whether the person should continue to be a member or whether the person's representative status must be suspended permanently. This decision will be taken on a two-thirds majority. The

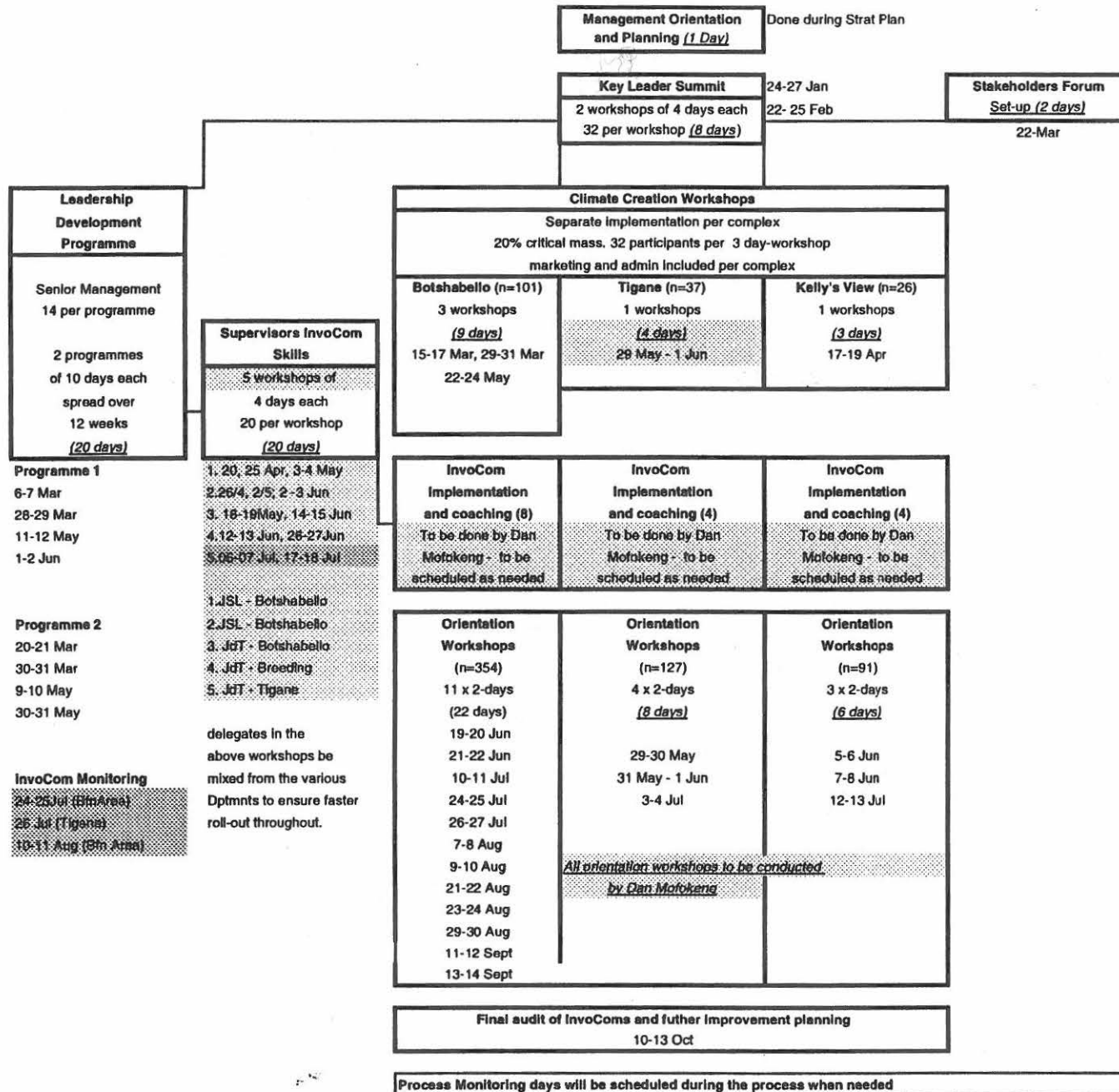
outcome of the vote which is submitted to the State through the department of which the person is the representative.



Annexure 6

COUNTRY BIRD

Last Update 14/05/00



Annexure 7

COUNTRY BIRD (Pty) Ltd

Questionnaire

COMPLEX: _____

The following questionnaire is designed to study aspects of communication at work. The information you provide will help us to understand the level of standard of communication in your workplace. Because you are the one who can give us a correct picture of how you experience communication in your workplace. I request you to respond to the questions frankly and honestly.

The questions below provide descriptions about how you experience communication in your place of work. Think in terms of your everyday experience in your place of work and circle the most appropriate response.

Complex: _____

Occupation: _____

Date of Engagement: _____

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1. Your Manager / Supervisor greets you every morning	1	2	3	4	5
2. Your Supervisor knows your name	1	2	3	4	5
3. Your team meets every morning to discuss:	1	2	3	4	5
3.1 the previous day's results	1	2	3	4	5
3.2 the previous day's problems	1	2	3	4	5
3.3 today's target	1	2	3	4	5
3.4 how we going to achieve today's target	1	2	3	4	5
4. You participate in problem solving in the workplace	1	2	3	4	5
5. You and your team mates discuss problems in the workplace	1	2	3	4	5
6. You approach your supervisor with possible solutions	1	2	3	4	5
7. Your supervisor listen to your proposals	1	2	3	4	5
8. Your Complex/Branch Manager informs you every month about:	1	2	3	4	5
8.1 the company's financial results	1	2	3	4	5
8.2 the complex/branch financial results	1	2	3	4	5
8.3 your department/section results	1	2	3	4	5
9. Communication in the workplace is very important	1	2	3	4	5
10. Communication between workers is very important	1	2	3	4	5
10.1 about my work	1	2	3	4	5
10.2 about my family	1	2	3	4	5
10.3 about my problems at work	1	2	3	4	5
10.4 about my problems at home	1	2	3	4	5
11. Communication between me and my Supervisor is very important:	1	2	3	4	5
11.1 about my work	1	2	3	4	5
11.2 about my family	1	2	3	4	5
11.3 about problems at work	1	2	3	4	5
11.4 about problems at home	1	2	3	4	5
12. My Supervisor MUST inform me every day with:	1	2	3	4	5
12.1 the previous day's results	1	2	3	4	5
12.2 the previous day's problems	1	2	3	4	5
12.3 today's target	1	2	3	4	5
12.4 how we going to achieve today's target	1	2	3	4	5

Thank you for your time and honesty.

KULU FERREIRA
Manager: HUMAN RESOURCES